

345136

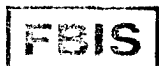
JPRS-WER-84-125

18 October 1984

West Europe Report

19980814 080

ETIC QUALITY



FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

5
173
A08

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

18 October 1984

WEST EUROPE REPORT

CONTENTS

ARMS CONTROL

DENMARK

- Leaders of Various Peace Groups Debate Differences
(Michael Ulveman Jensen; BERLINGSKE TIDENDE, 22 Sep 84). 1

POLITICAL

BELGIUM

- Gol Proposes Institutional Reforms, Changes for Brussels
(LE SOIR, 20 Sep 84)..... 3

CYPRUS

- Pakistanis Allegedly 'Imported' Into TRNC
(O FILELEVTHEROS, 14 Sep 84)..... 6

- 'Dangerous' Demographic Changes Ahead
(I SIMERINI, 14 Sep 84)..... 7

DENMARK

- Ellemann-Jensen Stresses NATO Support to Liberals Congress
(Dan Axel, Svend Bie; BERLINGSKE TIDENDE,
24 Sep 84)..... 8

- SDP Hears Jorgensen, Toughens Nuclear Arms Opposition
(BERLINGSKE TIDENDE, 16 Sep 84)..... 11

Jorgensen Defends Quitting Government, by
Solveig Rodsgaard, Michael Ehrenreich

LO Chairman Addresses Congress, by Solveig Rodsgaard, Michael Ehrenreich Tougher Arms Stand Adopted, by Solveig Rodsgaard, Michael Ehrenreich Conservative Daily Assesses Congress, Editorial	
Mogens Lykketoft Advances in SDP Leadership (Dan Axel; BERLINGSKE TIDENDE, 27 Sep 84).....	16
FINLAND	
Sorsa Discusses Conversation With Chernenko (Erkki Pennanen, Mikko Eronen; HELSINGIN SANOMAT, 27 Sep 84).....	17
Aalto Predicts Disaster for CP if Rift Continues (HELSINGIN SANOMAT, 24 Sep 84).....	20
Uitto Named To Lead Majority Faction for CP in Uusimaa (HELSINGIN SANOMAT, 24 Sep 84).....	21
Legislation Agenda for Parliament Includes Nuclear Energy (Kyosti Karvonen; HELSINGIN SANOMAT, 18 Sep 84).....	22
GREECE	
Readers Evaluate Failures, Errors of PASOK, 'Change' (ETHNOS, various dates).....	25
NORWAY	
Communist Newspaper Opens Letter Column to Party Dispute (FRIHETEN, 13, 18 Sep 84).....	55
Chairman Kleven Attacked, by Magne Mortensen 'Spy Episode', by Martin Gunnar Knutsen Chairman Defended in Letter, by Leif K. Hammerstad	
PORTUGAL	
Eanist Party Creation Arouses Controversy (SEMANARIO, 2, 16 Jun 84).....	61
Difficulties Facing Eanes Pundit Disparages Eanes, by Manuel de Lucena	
Poll on Eanes Popularity: Losing Ground But Still First (O JORNAL, 31 Aug 84).....	65

Poll Shows Eanist Party Would Relegate PS to Third Place (Jose Silva Pinto; O JORNAL, 31 Aug 84).....	67
SPAIN	
AP's Fraga on Country's Political, Social Health (Manuel Fraga Interview; YA, 13 Sep 84).....	71
TURKEY	
SODEP's Inonu Blasts 'Anarchic' Ozal Government (CUMHURIYET, 17 Sep 84).....	80
PP Cankaya Congress Takes Aim at Ozal; Calp, Gurkan (CUMHURIYET, 17 Sep 84).....	83
MILITARY	
CYPRUS	
Lefkoniko Airport Reportedly Near Completion (I ELEVTHEROTIPIA, 4 Oct 84).....	85
DENMARK	
Defense Minister Rejects Kristensen Appeal, Closes Case (BERLINGSKE TIDENDE, 28 Sep 84).....	86
New Armed Forces Commander O.K. Lind Complains of Funds Lack (BERLINGSKE TIDENDE, 28 Sep 84).....	87
Many Believe Civilian Sharing Home Guard Leadership Unnecessary (Jorgen Davidsen; BERLINGSKE TIDENDE, 22 Sep 84).....	89
Briefs SAS Planes for NATO in Crisis	91
FEDERAL REPUBLIC OF GERMANY	
Budget, Cost-Effectiveness Problems in Armaments Industry (Wolfgang Ruppelt; WEHRTECHNIK, Aug 84).....	92
FINLAND	
Armed Forces To Accept ITOW Missiles on Schedule (HELSINGIN SANOMAT, 28 Sep 84).....	108

PORTUGAL

- Measures Advocated for Algarve in National Defense Context
(Jose Antonio Telles Gomes; NACAO E DEFESA, Apr-Jun 84). 110

SWEDEN

- Finnish Scholar: Sweden Increasingly Vital in War Plans
(AKTUELT, 19 Sep 84)..... 116

TURKEY

- Saudis Interested in Turkish Weaponry
(WIRTSCHAFTSWOCHE, 21 Sep 84)..... 118

ECONOMIC

BELGIUM

- Tindemans on Pegard Case, COCOM, Trade With Soviet Union
(Leo Tindemans Interview; KNACK, 22 Aug 84)..... 119

DENMARK

- OECD: Danish Unemployment To Lessen in Next 15 Months
(Kermit Norlund; BERLINGSKE TIDENDE, 26 Sep 84)..... 123

- Briefs
More Jobs Expected 125

FEDERAL REPUBLIC OF GERMANY

- Charges of Industrial 'Preservation' Bring SPD Reply
(Wolfgang Roth; WIRTSCHAFTSWOCHE, 3 Aug 84)..... 126

FEDERAL REPUBLIC OF GERMANY

- 'New Industrial Policy' Risks Preserving Obsolete Structures
(Klaus-Dieter Schmidt; WIRTSCHAFTSWOCHE, 27 Jul 84)... 130

FINLAND

- Budget Bill Includes Inflation Fighting Measures
(HELSINGIN SANOMAT, 19 Sep 84)..... 135

Borrowing Expectations Lowered
Armed Forces Request Increased
Based on Strong Economy

ICELAND

- Ruling Coalition Presents Sweeping Fiscal Change Proposals
(Marjatta Isberg; HELSINGIN SANOMAT, 18 Sep 84)..... 143

NETHERLANDS

- Labor Party Economist on Van Kemenade Report, Workweek
(Piet Goosen; ELSEVIERS WEEKBLAD, 8 Sep 84)..... 146

TURKEY

- Ankara Indecision Over Apportionment Extension
(CUMHURIYET, 23 Aug 84)..... 150
- Academic on Turkey's Prospects in Technology Boom
(MILLIYET, 23 Aug 84)..... 153
- New Wave of Commodity Price Hikes Discussed
(CUMHURIYET, 23 Aug 84)..... 157

ENERGY

FINLAND

- Neste Firm Becoming Giant on World Oil Market
(BERLINGSKE TIDENDE, 24 Sep 84)..... 160

ENVIRONMENTAL QUALITY

DENMARK

- Government Biologist Cites Pollution Danger to Waters
(Thomas Uhrskov; BERLINGSKE TIDENDE, 27 Sep 84)..... 163

EUROPEAN AFFAIRS

- Danish-FRG Environment Agreement Signed During Kohl Visit
(Lars T. Kjolbye; BERLINGSKE TIDENDE, 26 Sep 84)..... 165
- IAEA Asking Baltic Commission To Consider Nuclear Radiation
(UUSI SUOMI, 11 Sep 84)..... 166

LEADERS OF VARIOUS PEACE GROUPS DEBATE DIFFERENCES

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 84 p 7

[Article by Michael Ulveman Jensen]

[Text] "You talk like a Russian general," said Jens Toft, SF [Socialist People's Party], to Lars Poulsen, chairman of the Democratic Peace Faction. "You are willing to sell freedom," Lars Poulsen told Jens Toft. This weekend both the socialist and the nonsocialist arms of the peace movement are holding national meetings. BERLINGSKE TIDENDE brought the two together in a stormy meeting.

The peace movement is frustrated. The deployment of 572 nuclear missiles in West Europe has begun and now the movement is seeking a new issue. Where will the peace movement go now and can it unite on anything?

This question was posed by Lars Poulsen, national chairman of DEFF (Democratic Peace Faction) and a member of the Conservative Party's executive committee. He represents the only nonsocialist counterpart to the traditionally socialist-dominated peace movement.

"The socialist peace movement focuses too much on weapons--especially the 572 nuclear missiles--while we think more about systems. That is why they have lost motivation. For us freedom is just as important as peace.

"I think we should start a debate on how Danish defense would look in the future without the U.S. nuclear umbrella," said Lars Poulsen.

Knowledge Accumulated

Jens Toft: "It is partly true that the peace movement has focused on nuclear missiles. But that is not all it has focused on. We have also concentrated on finding out a lot about the arms buildup so we can reveal the errors in many of the claims made by the experts. The buildup is based on claims by the experts that the other side has many more weapons. For example NATO claims that the Warsaw Pact lands have superior strength when it comes to tanks. But they have included all the Stalin tanks that rolled off the assembly line in 1948. NATO would definitely not trade places.

The only road open is unilateral arms reduction. The superpowers have been using the argument that there must be an arms balance before we can have arms reduction for 40 years now. Without results. Let us take the Russians at their word when they talk about peace and disarm unilaterally."

Selling Freedom

Lars Poulsen: "Before you get that far you may have sold your freedom and gained a 'Polish peace.' You cannot defend your freedom when you are the weaker one. How will you deter the eastern countries from attacking the West? You have no way of checking up on whether the eastern countries are disarming at the same time. They would call that interfering with their internal affairs. Arms reduction must be carried out simultaneously by both sides."

Superpowers Never Agree

Jens Toft: "But that won't work either because it calls for agreement between the superpowers. They won't disarm until there is a balance. And that never happens, according to them. Someone must take the initiative before things get out of hand. The Democratic Peace Faction does not support unilateral arms reduction and thus it is not a peace movement. Your organization is no better than the East European peace movements. And your theories are no better than those of the Russian generals who are always calling for disarmament by the other side without disarming themselves."

Lars Poulsen: "Take the socialist peace movement's demand for a Nordic nuclear-free zone. We can go along with that, but again we want an opportunity to supervise East Europe. We must be able to stop warships in international waters and this requires a change in the Law of the Sea Convention. The Kola peninsula, where the Russians have submarine bases and nuclear missiles, must also be included but you will not go along with that either."

Useless Signatures

Jens Toft: "Your suggestion is not serious because it too is based on an agreement between the superpowers. The Russians also have 80 percent of their submarine force in Kola and thus it is unrealistic to think that they would agree to this."

Lars Poulsen: "Your proposal will not lead to the reduction of a single nuclear weapon, it will just produce signatures that cannot be used for anything. You cannot make sure that the zone is being respected. That is one of the most unprogressive things I have ever heard."

6578

CSO: 3613/1

GOL PROPOSES INSTITUTIONAL REFORMS, CHANGES FOR BRUSSELS

Brussels LE SOIR in French 20 Sep 84 p 2

[Article by G. Dt.: "Jean Gol's Magic Potions to Improve the Health of Political Life and Reform the Belgian State"]

[Text] Minister for Institutional Reform Jean Gol has ideas. Lots of ideas.

For almost an hour and a half during a press conference, he outlined the avenues of approach to a basic change in the state. Original ideas, often implying serious political consequences. Ideas that also look like the institutional program of the PRL [Liberal Reform Party] for the years to come and therefore for eventual negotiation on the part of the government as well.

The press conference dealt with two essential and separate topics: first, the bills that await passage during the present legislative session and which are as important as the regulation of public opinion polls or the exceptional penal liability and civil responsibility of the ministers. And then the bills providing for a (definitive?) reform of the state.

--The Public Opinion Polls: A text is ready for a forthcoming meeting of the Council of Ministers. It anticipates the regulation of political election polls. To obtain permission to conduct this type of poll, it will be necessary for the interested parties to appear before a national commission, which would consist of magistrates and professionals. It would be required that publication of the poll be accompanied by a series of statements with regard to the organization conducting it and to the population sample taken.

Further, publication and distribution of and commentary on all polls will be forbidden during the week or two preceding the election. This regulation would be imposed because, for several years now, it has been observed that polls have produced curious results that have surely exerted an influence on public opinion.

--Responsibility of Ministers: Since 1831, an article of the constitution (the 90th), specifying the penal liability and civil responsibility of ministers and secretaries of state, has been awaiting a statute dealing with its application. Now, in the past few years, many cases have come up involving former ministers suspected of various criminal actions by the department of Justice. A text is ready. Ministers in office may be brought up on charges only by the House of

Representatives and tried by the Supreme Court of Appeal. On the other hand, former ministers or former secretaries of state will be prosecuted according to ordinary judicial procedure.

--The Popular Initiative Referendum: As provided by government declaration, such a referendum would be possible by declaring the ad hoc article of the constitution to be subject to revision at the end of this legislative session.

Gol, as a good liberal, insists on this idea of a referendum, but not "for the purpose of putting our community or budgetary problems in order." Otherwise, he says, it would split the country in two or open up the way for demagogic initiatives.

--Raising the Moral Standards of the Political Climate: "The public is too prone to believe that the political world is corrupt. This is a false concept. But to persuade the people to think otherwise, the best thing to do is to provide that every corrupt act committed by a person in public office would be regarded as a crime." In addition, Gol proposes that all ministers and perhaps even all members of parliament, burgomasters and deputy mayors, upon entering or leaving office, be obliged to file personal financial disclosures with a commission charged with the duty to notify the parliament if its members feel that there is an extraordinary discrepancy between the two statements.

The Definitive Reform

In addition to these bills, which, according to Gol, could still be implemented during this legislative session, there is the reform (a definitive one?) of the state such as that now being discussed at the state reform study center. This reform is for later consideration, since, as Gol reminds us, the economic and social problems have top priority on the government agenda.

--The Merger of the Executives: Gol recalls his desire to merge the French community and the Walloon region, in order, for example, to simplify institutions that the people "no longer understand," to limit the costs of the administrations and to create the critical mass sufficient for and the coherence indispensable to the implementation of a policy that will be effective when put to work. Finally, in Gol's opinion, this merger, far from weakening the French-speaking population, would, to the contrary, give it added strength.

--Elimination of the Double Mandate of Parliament: Members of the national parliament would no longer be able to hold seats as well on the regional or community councils. This would put an end to the need to shuttle back and forth between Brussels and Namur (the seat of the Walloon regional council) and, above all, to the double game that the members of parliament are obliged to play when they vote in favor of a proposal in the community council and then vote against it in the national parliament in the name of national tactics.

--Reform of the Senate: This is perhaps the most original proposition. The Senate would no longer be "the rubber stamp" of the House. It would play a limited but essential role, which would be peculiar to it. To begin with, it would function on a basis of equality between the Francophones and the Flemings. It would have only limited powers (questions of constitutional reform or qualified majority law).

But, above all, it would be able to "top" the community councils. The result would be a hierarchy of standards. This Senate, functioning on a basis of equality, would be able to seize upon community decree proposals and modify them. The power of the national government would then be in a position to exert an influence on the powers of the two communities. However, if the Senate does not reach a decision and is split (Flemings against Francophones), the decree proposal remains unchanged. The community council will have the last word. What is more, this Senate with the "new look" would be able to decide on conflicts of interest among regions, communities and the central government. It would make up for the shortcomings of the present planning committee.

What about Brussels?

In addition, Gol repeats some points that he had already introduced: a reduction in the size of the House, with deputies elected in districts embodying an entire community (like the European deputies); the incompatibility between a ministerial post and a seat in the parliament; an increase in the powers of the executive by adopting the French system (all residual power would be passed on to the executive, the parliament would have definitely specified powers).

--Financing: According to Gol, this is the essential point of every new institutional advance, "the critical test of every reform that lays emphasis on the autonomy of the communities and the regions. To conceal or to ignore the problem as the PS [Socialist Party] often does is like trying to escape it by running forward to meet it and shows a lack of responsibility. The essential political stake of the Francophones lies in the area of financing more than in the extension of powers."

--Brussels: In the matter of boundaries, the only democratic solution, in the opinion of Gol, is to consult the inhabitants. To exclude this problem from negotiation a priori as the Flemings do is unthinkable. As for the institutions, Gol proposes great simplification. Brussels would be allowed an elected assembly and an executive responsible to Brussels. He would handle the so-called "bicomunity" matters. The Flemish and French communities, by common agreement, would turn over to this executive the handling of cultural matters and of those of peculiar interest to Brussels.

In this way, there would be four distinct entities: the Flemish, the Francophone, the Germanophone and that representing Brussels. To ensure the protection of the Flemish minority, Gol proposes a system corresponding to that which ensures the protection of the Francophones on the national level. That is to say, equality in the executive (with the contingent exception of the president) and the alarm bell and the majorities qualified for the regional assembly of Brussels.

8089

CSO: 3619/94

PAKISTANIS ALLEGEDLY 'IMPORTED' INTO TRNC

Nicosia 0 FILELEVTHEROS in Greek 14 Sep 84 p 12

/Excerpt/ A Turkish Cypriot newspaper has revealed that the colonization of the occupied North is continuing at a rapid pace.

Besides Turks from Anatolia and Kurds born in Turkey who have colonized many areas of Turkish-held Cyprus, the dispatch of Pakistani colonists has now begun.

The above information was disclosed by the Turkish Cypriot newspaper ORTAM which also wrote:

"According to information from reliable sources, between 15 November and the present, 3,200 persons, mostly Turks from Turkey, acquired the right of being citizens of the TRNC. While 200 families were announced in the Official Gazette, 3,200 persons were given citizenship without their names being announced. We are also informed that citizenship was given to about 50 Pakistanis. There are individuals who obtain their citizenship from the very first week of their arrival in Cyprus."

5671

CSO: 3521/9

'DANGEROUS' DEMOGRAPHIC CHANGES AHEAD

Nicosia I SIMERINI in Greek 14 Sep 84 p 3

/From the "Problems and Thoughts" column; "Underpopulation"/

/Text/ We will once again agree with the Association of Families with Many Children that underpopulation is a very serious danger that threatens our national and biological survival. As indicated in the statistical data of the Ministry of Education, in 5 years the number of students in middle education will be reduced by 5,000! What does this decrease mean? It means that the rate of increase of the population of the island has begun to fall. If we were living in peaceful times there would be some justification for this. But we are living in difficult times that conspire against our very existence on this land. Very roughly speaking, how is the underpopulation in Cyprus explained? Family and living conditions are one explanation. When life becomes so expensive as to not permit the bearing of no more than two children that means that for Cypriots to be encouraged to bear more they will have to have some incentive. Unfortunately, these incentives, regardless of how much trouble and pressures went into granting them, are really insignificant. In other countries with similar underpopulation problems, the governments grant generous incentives to the citizens to bear more children. In Cyprus, where there is also the survival problem to be faced, such a policy is not being followed. When, however, on the other side the Turks are increasing in number and are completely seizing the occupied area, we believe that at some point there should be second thoughts.

5671

CSO: 3521/9

ELLEMANN-JENSEN STRESSES NATO SUPPORT TO LIBERALS CONGRESS

Copenhagen BERLINGSKE TIDENDE in Danish 24 Sep 84 pp 1, 5

[Article by Dan Axel and Svend Bie]

[Text] The Liberal Party's "hawk" accepted an easy way out after a sharp debate on the party's security policy line--in order to avoid provoking the Social Democrats.

Foreign Minister Uffe Ellemann-Jensen is now appealing directly to the Social Democrats to wait with new resolution battles over Denmark's security policy until the so-called Dyvig report has been debated in Folketing.

"I am sure something constructive will come out of the group of experts who have now started to analyze Denmark's foreign and security policy. It would be very questionable to engage in new resolution battles before this report has been discussed by a special Folketing committee," said Uffe Ellemann-Jensen.

"Incidentally it is hard for me to see the wisdom in rushing ahead with a new resolution of this kind," Ellemann-Jensen said. "On the other hand I would regard it as reasonable for the government to get in touch with the Social Democrats to get them lined up in case some 'troublemakers' want to present resolutions quickly anyway."

The Liberals' group chairman, Ivar Hansen, made it clear that "if the Social Democrats drag us into new resolution debates soon, our last remnants of confidence in that party will be destroyed."

"We would be in an intolerable situation if Denmark's security policy is shaped again by Lasse Budtz and Gert Petersen piecing together resolution proposals by exchanging small scraps of paper containing complex phrases," said Ivar Hansen.

Several of the Liberal Party "hawks"--the party members who are prepared to risk a Folketing election on security issues--accepted the idea at the congress in Herning yesterday that a statement on security policy should be free of any open provocations with respect to the Social Democrats.

Social Democrats Not Mentioned by Name

The new chairman of the Liberal Party gave a well-prepared speech on liberal principles. The speech was conciliatory toward the Social Democrats and disapproving in relation to domestic and security policy.

"We do not have to blacken the opposition in order to enhance our contribution. Our ideas and results speak for themselves," stated the new chairman of the Liberal Party, Foreign Minister Uffe Ellemann-Jensen, in his first political speech as chairman of the Liberal Party.

No Desire for New Clashes

Uffe Ellemann-Jensen stressed the Liberal Party's ideological basis and spoke warmly of the results the party has achieved through cooperation in the "four-leaf-clover" government. In the government period Uffe Ellemann-Jensen has been in charge of the only sphere of issues that seriously threatened the government's existence, security policy, and it is obvious that as chairman of the Liberal Party he has no desire to throw himself into a new battle over security policy with the Social Democrats. He avoided mentioning the Social Democrats by name and called for new solidarity on security policy.

"I hope the internal political conflict over Danish foreign and security policy can be ended.

Let Us Consider

"We are approaching a crossroads that affects Denmark's NATO membership. A broad majority of the Danish people want Denmark to remain in NATO. Therefore we must consider things very carefully before we risk jeopardizing this membership. Let us consider things very carefully in the future. All of us," said Uffe Ellemann-Jensen.

He mentioned the union organizations and said that he would like to clear up the misconception that the Liberals have something special against union organizations.

"Freedom to organize is also a basic freedom and in our modern society it is natural and indispensable that workers organize themselves. But we must be sure that these organizations do not develop into power structures that look out for interests other than those of the members."

Uffe Ellemann-Jensen mentioned the HT [expansion unknown] conflict and said that "what we heard was the voice of injustice, of the abuse of power. Not the voice of the Danish wage earner.

"We must remember what one of the first leaders of the Liberal Party, Kresten Berg, said: 'Never strike a compromise with injustice.'"

Municipal councils should not expect bigger and broader economic limits, according to Uffe Ellemann-Jensen. But the Liberals would like to give the municipalities greater freedom within those limits.

"The municipalities have enormous importance in the Danish national economy. They must be part of the narrower economic limits." Uffe Ellemann-Jensen called it a difficult balance to "get this big power factor in place.

"Let us be glad that it is a fervent Liberal who is diligently working on this task," he said with direct reference to Britta Schall Hollberg.

Contracts

Next year's contract negotiations will be decisive for competitiveness and thus for employment, Uffe Ellemann-Jensen pointed out.

"Of course some groups will want to use these contract negotiations for political purposes. In an effort to force the government out."

The new chairman did not specify which groups would use the contract negotiations for these purposes but at the just-concluded Social Democratic congress a lot of political interest was shown in contracts, including the circumstance that in some way or another Folketing will become part of the negotiations.

6578

CSO: 3613/1

SDP HEARS JORGENSEN, TOUGHENS NUCLEAR ARMS OPPOSITION

Jorgensen Defends Quitting Government

Copenhagen BERLINGSKE TIDENDE in Danish 16 Sep 84 p 6

[Article by Solveig Rodsgaard and Michael Ehrenreich: "The Social Democratic Party Is always on the Left"]

[Text] Anker Jorgensen admitted in his chairman's report at the meeting that the party is finding it difficult to be heard as opposition, but said that the party's new program will stress the party's place in Danish politics.

The Social Democratic Party always stands to the left of center. Social Democratic Party Chairman Ander Jorgensen said this in his report at the party meeting that began yesterday in the Falkoner Center. He also said that the party's new working plan that will be approved by the members will stress the Social Democratic position in Danish politics.

Otherwise Jorgensen's political report was marked by a backward glance at the things the Social Democratic Party had accomplished when it was in power and the attempts in the opposition period to restrain the nonsocialist government.

"Much is said of the need for us in politics to sell wares. I really don't care much for this expression. But there is a difference between selling something and having a sale. We are not selling out our principles.

"We relinquished power because we did not want to sell out. The four parties that now make up the government together with the Radicals and the Progressive Party had banded together. Usually we negotiate. But in every single negotiating situation we have been conscious of our program and principles, and we had to admit that there was no longer a majority in the Folketing for a policy that was basically Social Democratic.

"And the nonsocialist parties said that we gave up. They can say what they want. We ourselves know that we did not give up. On the contrary, we held fast," Jorgensen said.

They Know Well that the Social Democratic Party Will Return

He added that the nonsocialists know that policy is best conducted from a governing position.

"Therefore they are working so hard at dismantling the public sector. Therefore they want to reduce social solidarity as rapidly as possible. People know well -- and the nonsocialist parties know well -- that the Social Democratic Party will return," Jorgensen said.

He said about the public sector: "We know very well that Denmark cannot have a part in the future community development if we depend onesidedly on the public sector. And not if we depend onesidedly on the private sector, either. And if the two sectors regard each other as opposites instead of each others' prerequisites, we will not have any development at all. We have always been ready to discuss this. At any rate if the condition for the discussion was that the public sector should be sufficiently large.

Almost Hateful Feelings Developed

"For if it is not so, we cannot be certain we will attain our goal in distribution policy. Sometimes the nonsocialists develop almost hateful feelings toward the public sector. Let me therefore say in opposition: the Social Democrats love the public sector. It gives us greater social and medical security. It provides better education for the people. It does a great service for private business."

In his report, Jorgensen also mentioned that when the party is not in power, it has difficulty being heard. Therefore he urged the Social Democratic local party leaders to be active in the things that are important to the people.

Many Losers

"We can readily identify ourselves with a large number of the things that bring people together in grass roots movements. We have good possibilities if we know how to take advantage of the fact that our party has local leaders in every single place on Denmark's map.

We think it is possible to appeal to a majority of the population to be in solidarity with social groups that may perhaps be in a minority, but a very negative development is underway. The government's policy will cause the number of social losers, the number of groups that are socially pressed, to rise sharply. The people have not realized how unimaginative and mean the government's policy in these areas actually is. For in all simplicity it is just taking from the poor and giving to those who are better off."

LO Chairman Addresses Congress

Copenhagen BERLINGSKE TIDENDE in Danish 16 Sep 84 p 6

[Article by Solveig Rodsgaard and Michael Ehrenreich: "We Shall Return"]

[Text] "It is great to be a Social Democrat and at any rate interesting," Anker Jorgensen said to the party congress. LO's chairman, Knud Christensen, urged solidarity.

"In the course of history, we have lost many battles. But we will win the war. Each time we have come back. With every third voter being a Social Democrat, we are not in the worst position, and the nonsocialist parties know that we will return."

This is what the chairman of the Social Democratic Party and former prime minister, Anker Jorgensen, said yesterday at the opening of the party's first meeting since the government changeover in September 1982.

Among other things, the meeting will approve a new working plan just before the Social Democratic Party, together with the union movement, begins a nationwide campaign centered around the main ideas in the party's economic plan: the path of solidarity.

"Several times before this meeting we have been asked the question: Is it great to be a Social Democrat? The answer is yes -- and at any rate it is interesting.

"But it has never been easy to work in the Social Democratic labor movement. I remember the struggle with the great split just after the war. Innumerable situations seemed hopeless, but we still regained our strength. In all the years since then we have been the leaders in Danish politics," Jorgensen said.

"In Denmark the people have a clear choice. A choice between the nonsocialist path and the path of solidarity. It is not just a choice of one of several technical solutions, but a choice between two very different attitudes toward society and the human being," the Social Democratic chairman said.

LO's chairman, Knud Christensen, in his address to the congress, denied that the Social Democrats are in an inner crisis, "even if it has not been difficult for the newspapers to find good front page stories on this favorite nonsocialist theme -- and this applies both to the party and to the union movement."

"Let us for once affirm the idea for ourselves and all the many thousands of wageearners who are awaiting a reliable answer from us that Danish policy and social attitude is not just a question of the optimism, pessimism or of the actions of 10 to 12 persons," Knud Christensen said.

Tougher Arms Stand Adopted

Copenhagen BERLINGSKE TIDENDE in Danish 16 Sep 84 p 14

[Article by Solveig Rodsgaard and Michael Ehrenreich]

[Text] The resistance to nuclear weapons on Danish soil in times of crisis and war is no longer linked with the North as a nuclear-free zone. It is not clear whether the pressure will be continued in the Folketing.

The Social Democrats are taking a new step in toughening the party's security policy course at the meeting where the proposal of the top leadership for a new security policy program is separating resistance to nuclear weapons on Danish soil in peace, war, and crisis from the establishment of a nuclear-free zone in the North.

It was just this connection that formed the main conflict at the group meeting in the beginning of May, at which the Social Democratic Folketing group approved the proposal that was later approved in the Folketing 3 May as the latest in a long series of security policy resolutions.

The proposal of the top leadership establishes briefly and succinctly that "the Social Democratic Party will work actively for Denmark remaining nuclear-free in times of peace, crisis, and war." A similar formulation is expressed in the proposal the meeting is to approve.

The Social Democratic foreign policy spokesman and chairman of the party's foreign committee, Lasse Budtz, confirms the strengthening and says that it is quite deliberate.

"I was already of the opinion in May that the things should be divided because there are many other means of holding Denmark free from nuclear weapons than the establishment of a nuclear-free zone," Budtz said.

He points, among other things, to the fact that at the extraordinary UN general assembly a text was discussed, according to which Nations that do not already have nuclear weapons should not have or receive nuclear weapons.

Budtz says that the problem can also be solved with a supplementary protocol to the reinforcement agreement in which the acceptance of nuclear weapons is rejected. But he emphasizes that the Social Democratic Party does not want at the present time to suggest changes in the reinforcement agreements.

Both the security policy section in the labor program as well as the resolution proposal are expected to be approved at the meeting, and the suggestion of the leadership is being met beforehand with unanimous support from the foreign committee, where, among others, both Robert Pedersen, Poul Sogaard, Knud Damgaard, the youth organization, DSU, and the Union of Social Democratic Antimilitarists have seats.

Conservative Daily Assesses Congress

Copenhagen BERLINGSKE TIDENDE in Danish 16 Sep 84 p 14

[Editorial: "The Congress"]

[Text] At the party congress, which elected Anker Jorgensen as the Social Democratic Chairman, they said goodbye to Jens Otto Krag. His last words were an appeal to the party to make the right decisions, to do this in unity, and to main leadership in Danish politics. If Anker Jorgensen, at this congress, which opened yesterday, thinks back to 1973, he will have to admit that the Social Democrats have not been able to live up to Krag's appeal. In the years since then the party has made a series of decisions that were wrong. They have not been fortunate enough to act in a unified way. And they have not been able to maintain leadership in Danish politics. How strong the will is to show unity will be made clear for all in the coming days by what they do.

In 1973 the congress elected Kjeld Olesen as the deputy chairman, and even in the Social Democratic press he was hailed as the crown prince of the party. Today the once deputy chairman and foreign minister seems to be far down in the ranks. Now a contested election for the position of deputy chairman is imminent. The favorite is Birte Weiss, who at the time rejoiced at the fact that Olesen had to go all the way back to Julius Bomholt to be able to say something pleasant about the agreement of idea and everyday activities. Mrs. Weiss must admit that she will not be able to take examples from recent times, either, if she is to make a thank you speech. The party tone has become tougher, the wings are more sharply separated, and the uncertainty on what the party should do has grown. One has some ideal principles, but can't do much with them in practice. There is no agreement about what to do with them.

There are examples enough to show that things are this way. It is typical that while in 1973 -- the year after the plebiscite on Denmark's membership in the EC -- one carefully formulated a statement that was to bridge over the sharply opposing positions between the supporters and opponents, this struggle is also an essential factor for this congress. It is noteworthy that the departing party secretary is against the proposal for a committee to evaluate the advantages and disadvantages so that the congress can give its agreement.

A Social Democratic congress is a great event in the party's history. Decisions on programs and policy, on persons and leadership, are carefully made into milestones. The decade that is framed by Anker Jorgensen's first congress as party leader, and this congress that he stands at the head of today will certainly not even stand in Social Democratic history as good years. The red pin is getting rusty.

9124

CSO: 3613/229

MOGENS LYKKETOFT ADVANCES IN SDP LEADERSHIP

Copenhagen BERLINGSKE TIDENDE in Danish 27 Sep 84 p 8

[Article by Dan Axel]

[Text] Former Minister of Taxes and Public Revenues Mogens Lykketoft yesterday advanced further in the hierarchy of the Social Democratic Party as he was elected a new member of the board of the Social Democratic Folketing group-- however, as the last one out of the seven to be elected.

The reason why, suddenly, a seat became available for Mogens Lykketoft within the board of the Social Democratic Folketing group is that the former chairman of the finance committee of the Folketing, Henning Jensen, no longer wanted to sit on the board. He is expected to aim for the post of mayor of his home town, Horsens, in the municipal elections to be held in November of next year.

The election of Mogens Lykketoft shows that he is again on his way toward a stronger position within the party. His increasing popularity was most recently seen during the congress of the Social Democratic Party last week where he gave a very forceful speech, which received frantic applause.

The first six persons elected to become members of the Social Democratic Folketing group were all re-elections. Former Minister of Church Affairs Tove Lindbo Larsen scored the largest number of votes, receiving 38 votes. She was followed by Søren B. Jørgensen (37), Knud Heinesen (37), Børge Bakholt (35), Helle Degn (34), Mogens Camre (34) and, finally, Mogens Lykketoft, who received 27 votes. The only other nominee was Arne Jensen, who received 24 votes.

There were no changes in the top leadership. Anker Jørgensen continues as group chairman, Ritt Bjerregaard as deputy chairman, Svend Auken as political spokesman and Jytte Andersen as group secretary. The chairman of the Folketing, Svend Jakobsen, is automatically, a member of the board of the Social Democratic Folketing group.

7262

CSO: 3613/4

SORSA DISCUSSES CONVERSATION WITH CHERNENKO

Helsinki HELSINGIN SANOMAT in Finnish 27 Sep 84 p 11

[Article by Erkki Pennanen and Mikko Eronen: "Sorsa and Chernenko Converse for Almost an Hour: No Problems in Finnish-Soviet Relations"]

[Text] Moscow---Finnish-Soviet relations are free of problems, but no definite signs of a positive change in the state of relations between the superpowers are evident. This is how Prime Minister Kalevi Sorsa summed up his impression of talks with Soviet leaders on Tuesday and Wednesday.

The climax of Sorsa's official visit as prime minister came on Wednesday afternoon at the 45-minute meeting he had with Chairman and party leader Konstantin Chernenko. Sorsa emphasized that he met with the Soviet leader in two different capacities: as Finland's prime minister and, on the other hand, as the chairman of the Social Democratic Party (SDP) and a representative of the Socialist International.

On the Soviet side, Boris Ponomarev, a candidate for membership in the CPSU Politburo who has for a long time taken care of CPSU relations with the Western European parties, also participated in the meeting.

Andrey Aleksandrov-Agentov, who has served as special advisor to several party leaders and is also very familiar with Finland, and ambassador to Helsinki Vladimir Sobolev were also present.

On the Finnish side, Foreign Ministry Secretary of State Matti Tuovinen and ambassador to Moscow Aarno Karhilo were present.

According to Sorsa, Chairman Chernenko was very concerned over the poor state of relations between the superpowers and especially over new developments in U.S. armaments. By these Chernenko meant U.S. attempts to extend the arms race into space.

Chernenko did not refer to the meeting President Ronald Reagan and Foreign Minister Andrey Gromyko have ahead of them at all. He was rather pessimistic in his general appraisal and did not give the impression that the Soviet Union expects positive changes in U.S. policy in the near future.

"You can't say that he was optimistic, even though he wasn't fatalistic either," Sorsa made clear his impression of the meeting.

Chernenko asserted that relations with Finland were excellent. They are completely without problems. Sorsa said that during the part of the meeting devoted to party policy he gave an accounting of the work of the Socialist International's Disarmament Council and the Nordic social democratic parties' joint efforts on behalf of a nuclear-free zone in Northern Europe.

Party leader Chernenko stated that the CPSU was interested in cooperating with the Western European social democrats, particularly in connection with the issues of peace and disarmament. Ponomarev too used his turn to speak about party relations and acknowledged the role of the SDP in the Socialist International.

At the level of party relations the recording of the meeting between Chernenko and Sorsa also means that the CPSU is demonstrating that it recognizes the SDP's position as Finland's leading party. Such high-level meetings have not been organized within the memory of man between the CPSU and the Finnish Communist Party.

On Wednesday Sorsa also met separately with First Deputy Chairman of the Council of Ministers Ivan Arkhipov who was recently appointed Soviet chairman of the Economic Commission. Sorsa said that Arkhipov brought up the question of some joint projects which were new to him. What was primarily involved was the construction of industrial plants.

However, nothing more definite about specific new projects in Moscow was discussed. The talks will be resumed later this fall. Sorsa admitted that the chances for increased trade were very limited unless they find new import items in future.

A visit to the Troitse-Sergiyeva Lavra Monastery in the city of Zagorsk 70 km northeast of Moscow was on Prime Minister and Mrs Sorsa's morning program.

At the Monastery in Zagorsk

The Troitse-Sergiyeva Lavra Monastery is the center of the Russian Orthodox Church and its most important monastery and one of the church's seminaries is located there.

Metropolitan Filaret, the Orthodox Church's head man in charge of foreign relations, was at the gate to the monastery grounds to meet Sorsa. The head man of the Russian Church, Patriarch Pimen, was prevented from arriving at Zagorsk to welcome Sorsa.

The prime minister was shown the Church of the Holy Trinity, the patriarch's residence, which he uses when he is in Zagorsk, and the Uspensky Church, where a Communion mass was in progress at the time of his visit. The Sorsas followed it for a while and they also listened to the singing of the seminarian choir.

The visit was continued with church singing in the shelter of the seminary itself. There the Sorsas also had an opportunity to familiarize themselves with the monastery's collections of ecclesiastic art with their precious icons and miniature models of Russia's churches.

11,466

CSO: 3617/2

AALTO PREDICTS DISASTER FOR CP IF RIFT CONTINUES

Helsinki HELSINGIN SANOMAT in Finnish 24 Sep 84 p 11

[Text] There will be no return in the Finnish Communist Party (SKP) to a continuation of the course matters have taken these past few years through a special congress nor in any other way, SKP chairman Arvo Aalto reasserted on Sunday in Helsinki at the 40th anniversary celebration of the founding of the SKDL (Finnish People's Democratic League) and the assumption of public activities by the SKP.

"We say this because we know for certain that continuing the course we have followed these past few years will lead our party and the People's Democratic movement to disaster. This is why we do not consent to following that path any more, either through a special congress or in any other way."

Aalto said that it was against common sense also for the nonsocialists and Social Democrats to be able to speculate and let relations between the SKP and the CPSU play into their hands to the detriment of relations between communists and Finland and the Soviet Union.

"With no kind of lie or in any other way can the fact be changed that the 20th party congress strengthened the international communist movement with respect to SKP policy in a traditional way," he emphasized.

"Nor have we in connection with this revised our views and, on the basis of decisions, we continue to entertain the relations we have had with the CPSU and the other parties we are affiliated with," he said.

As for SKDL chairman Kalevi Kivisto, he reviewed the history of the SKDL and evaluated its current political tasks. He showed that his party has been a trailblazer as a rebuilder of relations between Finland and the Soviet Union.

"However, many People's Democrats are bitter over the fact that our efforts for our country on behalf of postwar foreign policy have not always received their share of the recognition they deserve," he noted.

Kivisto was comforted by the fact that "the best thanks and recognition we can receive as a socialist movement is the prosperity and success of the people of Finland."

SKP Stalinist representatives did not participate in the celebration held at the Exposition Center.

UITTO NAMED TO LEAD MAJORITY FACTION FOR CP IN UUSIMAA

Helsinki HELSINGIN SANOMAT in Finnish 24 Sep 84 p 9

[Text] Former Member of Parliament Pauli Uitto has now been chosen to head the Communist Party's (SKP) Uusimaa district committee whose job it is to convey the message of the party Central Committee, headed by Arvo Aalto, to Uusimaa Communists.

What is at issue is the channel SKP leaders need, since district secretary Markus Kainulainen along with his staff represents the Stalinist minority's rigid line, with which the bringing about of reconciliation is thought to be practically speaking impossible among the moderates.

The SKP's Uusimaa district committee is composed of some 20 members from different parts of Uusimaa. Reijo Ranta, who also has an office at SKP headquarters in Helsinki's Culture House, serves as committee secretary.

However, the SKP Central Committee does not pay Ranta's salary; the Hiekkaharju cell in Vantaa, which is controlled by the moderates, does.

Reijo Ranta defended the district committee's actions by saying that all Communists will have a chance to act within the framework of the Uusimaa district.

According to Ranta, the new district committee is a way the implementation of decisions anticipated of the party congress can be realized at all levels of the SKP.

Pauli Uitto denied notions that they might be building up a parallel district organization out of the district committee. Uitto said that they did not intend for the matter to go that far and he added that the SKP's situation is problematic and that is why the means are needed to convey information to the rank and file and from them back [to party leaders].

11,466

CSO: 3617/2

LEGISLATION AGENDA FOR PARLIAMENT INCLUDES NUCLEAR ENERGY

Helsinki HELSINGIN SANOMAT in Finnish 18 Sep 84 p 18

[Article by Kyosti Karvonen: "Elections Will Provide Impetus for Fall Parliament; Budget, Constitution, Nuclear Energy and Construction Law Will Keep Them Busy"]

[Text] The Parliament that is ending its summer vacation today, Tuesday, will be getting at least four big political issues to bite into during its coming session. In addition to the annual budget proposal, constitutional reform, the long-awaited nuclear energy law and revision of the construction law will be coming up on the agenda.

Now set in motion, the municipal election campaign is injecting more drive into the talkfest. Most of the members of Parliament sit on municipal councils and what could be a more conspicuous place to conduct an election campaign than the speaker's rostrum in Parliament?

Parliament will get the proposal for next year's income and expenditures budget on Tuesday and the government has no intention of giving the delegates a couple of days more time to familiarize themselves with it.

The opposition, especially the Conservative Party, has complained about the government's lightning speed. On Tuesday the parliamentary speaker council will give its blessing to the government parties' plan, according to which the preliminary debate on the budget will begin when the delegations take the floor Friday.

At least part of the reason for the rush is the four-minister travel jam scheduled for next week — Finance Minister Ahti Pekkala's (Center Party) private vacation trip to Bulgaria just when the rank and file parliamentary representatives are scheduled to vote especially annoys the Conservative Party.

As early as last year the postponement of government allocations for the municipalities was one of the number-one topics of discussion and in an election year the opposition can do nothing but step up the beating of its drums. The government is proposing that the final installments of the government allocations, amounting to 87.6 billion markkas, be postponed until 1986.

The government estimates that it needs the backing of the opposition for proposals amounting to a total of from about 800 to 900 million markkas in order to bring the budget negotiations to an end.

Who Will Agree to the Budget?

In addition to deferments of government allocations, the government is seeking opposition support for the proposals, among others, that it plans to pay 70 percent instead of the 80 percent prescribed by law after the first 100 days of maternity benefits and that the limits of its responsibility for medical care and compensations for medicines and travel be increased.

Having agreed to the budget last year after devious negotiations with the government, the Conservative Party has now beforehand raised its price for agreeing to it. As for the SKDL [Finnish People's Democratic League], it is ready for negotiations, but doubts that the government will choose the Conservative Party as an agreement partner.

Last fall the government softened up the Conservative Party by threatening it with tax hikes and we can expect it to use the same tactic this time too. In the central municipal organizations Conservative Party representatives have accepted the government allocation deferments, but Conservative Party leaders have hastened to make it clear that the same action will not necessarily be repeated in its parliamentary delegation.

SMP Has Its Own Role

The SMP [Finnish Rural Party] parliamentary delegation, which must be capable of demonstrating how distasteful it is for it to swallow an inflationary hike of several million markkas for party subsidies and how the other government parties are forcing the delegation to do this, will have its very own role in the budget drama. So the SMP will probably not have much more to say about the over 92-billion-markka budget proposal, although the delegation has already managed to propose negotiations on the budget to the other delegations.

In the constitutional reform package, which will be introduced in Parliament in October, the chief concern appears to be facilitation of the legislation of laws that regulate and monitor the economy, which is too big a bite to swallow for the Conservative Party and for part of the Center Party delegation.

A more heated battle is to be expected over the new nuclear energy bill, promised for December, which it was thought would be submitted to Parliament as early as its last session.

The nuclear energy issue is expected to shake delegation unity more than usual, at least at that point when the decision on a possible new major nuclear power plant is made. Measured from the standpoint of unity, the issue is a difficult one, especially for the Social Democrats, the SKDL and the Center Party. There are also opposing views on the matter in the Conservative Party.

The government will also keep Parliament busy with two reports. The first of these, concerning environmental policy, is expected to be submitted to Parliament as early as late September-early October. Later it will be the turn of a report on the youth policy.

Only a few odds and ends were left unfinished by Parliament at its last session, the most important of which is the long rehashed protective law for the construction industry. The recommendations concerning the bill are now ready.

Other important unfinished business includes, among other items, the court proceedings publication law, the adoption law and the law governing compensation to be paid out of government funds to people who have been imprisoned or sentenced for crimes they are innocent of. Discussion of the 1983 report dealing with the justice minister's official duties is also still in the committee phase.

Unanswered Questions

There are several unanswered questions in the parliamentary delegations this September. Is the split in the SKP [Finnish Communist Party] also beginning to appear in the SKDL delegation, which has carefully preserved its unity? Can the spring revolt by the SDKP's [Social Democratic Party] "Red dozen" continue? Will the division in the SMP delegation into "basic Vennamo supporters" and those more willing to cooperate with the government become blatantly public? How credible an image will a Conservative Party opposition policy that diddles between an old sense of responsibility and a new image aimed at toughness produce?

As regards candidate issues, the SDP delegation has to ponder whether to make delegation leader Olli Helminen the head of the Social Security Agency. As for the Center Party, next week it will probably choose a successor to delegation secretary Mikko Tuohi, who is leaving to become information chief of the KEELA [Social Security Agency].

The new secretary will have only 37 Center Party delegates to look after since Liisa Kulhia continues to be an independent, having deserted the party ranks last summer.

Ulla Lehtinen of Helsinki will join the SMP delegation as a new member, taking the place of the late Reijo Enavaara. This week it will also become clear whom the SMP promotes to become the regional director of the Finnish Broadcasting Corporation. One candidate is Member of Parliament Mikko Vainio, whose appointment to the Finnish Broadcasting Corporation would bring Markku "Mato" Valtonen, known from "Sleepy Sleepers," into Parliament.

11,466
CSO: 3617/228

READERS EVALUATE FAILURES, ERRORS OF PASOK, 'CHANGE'

Athens ETHNOS in Greek 20, 29-30 Jun; 16-18, 21, 23-26 Jul; 8, 23 Aug 84

/20 Jun 84 p 5/

/Excerpts/ What do the 17 June electoral results mean nationally, politically, socially and economically?

After providing a first realistic estimate, ETHNOS gave the answer yesterday with candor and straightforwardness.

It clearly and openly wrote as a major article that the electoral results clearly show the following: (1) steadfastness of the electorate to the issue of Change and (2) protests by the electorate over errors committed during the course toward Change.

What were these errors? The question is neither disloyal nor anti-governmental. The question is sincere and necessary because from the answer provided it will be shown where the government task was remiss, where Change stumbled and where popular expectations were shattered and why. The question is a question of discretion and right-mindedness.

The errors and the course of Change will be told to us by public opinion. Our readers. In order to simply and solely facilitate matters we, first, will add our opinion. In other words, the five major errors which, in our opinion, lowered the credibility of Change.

The order of these five errors is not by order of importance and has no relation with the extent of damage each did to the government. The readers will determine the order and order of importance of these errors.

<p>Εγκατάλειψη της Αθήνας</p> <p>ΔΕΝ ΕΓΙΝΑΝ έργα για την εξυπηρέτηση των Αθηναίων. Η κατασκευή του μετρό θα μπορούσε να ξεκινήσει αμέσως μετά την άνοδο στην εξουσία του ΠΑΣΟΚ.</p> <p>Αναβλήθηκε από ασφαλισμένες συγχήσεις. Κυκλοφορικά και νέφος. Επαράτησε η μητροπολιτική αντίληψη του πολιτικού κόσμου και δεν αντιμετωπίστηκαν τα δύο αυτά θέματα με αποφασιστικότητα.</p> <p>(1)</p>	<p>Κοινωνικοποιήσεις</p> <p>Δεν θεσμοδοτήθηκαν οι κυβερνητικές επιδιώξεις. Ποιες βιομηχανίες θα έπρεπε να μπουν κάτω από τον έλεγχο των εργαζομένων και ως ποτέ. Δημοιοικητικά α' όλους τους χώρους επιχειρηματιών και εργαζομένων σύγχυση, φοβία, αυθαιρεσία, με επίδραση στην παραγωγικότητα.</p> <p>(2)</p>	<p>Ανεξέλεγκτη αγορά</p> <p>Απέτυχε η χαλναγωγή των τιμών. Πολλά είδη και υπηρεσίες υπερτιμήθηκαν πέρα από την αύξηση του πληθωισμού. Και η βελτίωση της ζωής των εργαζομένων καθυστερήθηκε.</p> <p>(3)</p>	<p>Ανάπτυξη ελιτισμού</p> <p>Πολλά κυβερνητικά στελέχη θεωρήσαν τον εαυτό τους τόσο ικανά ώστε ταύτισαν με την υλοποίηση των κυβερνητικών στόχων και με το σοσιαλιστικό όραμα. Προέβλεπαν με υπεροψία την αντίληψη ότι είναι μοναδικοί.</p> <p>(4)</p>	<p>Σοβαρότητα</p> <p>Πληθώρα εξαγγελιών από την πλευρά αρισμένων κυβερνητικών στελεχών χωρίς να υπάρχει η δυνατότητα υλοποίησης. Συμπεριφορά δημόσια και κοινωνική όχι ανάλογη προς το αξίωμα.</p> <p>(5)</p>
---	---	--	---	--


Key:

1. Abandonment of Athens.
No projects were undertaken to benefit the Athenians. The construction of the Metro could have started immediately after PASOK came to power. It was put off because of faulty proposals. The traffic problem and the pollution problem. What prevailed here was a small-time political view of the political cost and these two issues were not decisively confronted.
2. Socialization
The government's ambitions were not cleared up. What industries should have come under the control of the workers and when. Confusion, fear and highhandedness developed among all businessmen and workers with resulting effects on production.
3. Unchecked Market
Controls over prices failed. Many goods and services increased in price that were greater than the cost of living. The improvement of the workers' standard of living has been delayed.
4. Development of Elitism
Many government officials considered themselves so capable that they identified themselves with the implementation of government goals and with the socialist vision. They arrogantly were of the opinion that they were unique.
5. Seriousness
A plethora of proclamations by certain government officials without there being any possibility of their being implemented. Behavior, both publicly and socially, that was not consistent with the office.

Listed above for the readers are five potential errors. If he agrees with the error he is to place a number in the circle that appears with each item.

The reader may wish to expand on the errors as much as he desires on a sheet of paper that is to be attached to the sample of the survey participation bulletin.

SAMPLE OF SURVEY PARTICIPATION BULLETIN	
NAME	PHONE:
ADDRESS	



Excerpts The participation of our readers in the big survey surpassed all expectations. There was no part of the country that was not represented with precise information worked out with practical proposals so that the battle for Change might be won.

"Why I Voted Against PASOK"

Thanks for your hospitality,
Georgios Xenopoulos
Olympia, Ileia

For PASOK to regain the complete trust of those whom it lost it must accomplish the following:

- 27

2. It must become a more serious government.
3. It must not continually refer to the Right because this makes the latter worthy.
4. It must not postpone decisions (housing loans, etc.).
5. The prime minister should be more concerned with domestic issues that are simmering (economy, prices).
6. Ministers must not be changed and their work set back.
7. It should show concern for the middle and lower strata of the population.
8. It should not promise many things if it cannot implement them at once.

Khristos Bereris
Pharmacist,
11 Kavkasou St., Athens

I am waiting for it to live up to its responsibilities and to remember that it was not voted in for receptions, fiestas, impressive proclamations and other "socialist fanfare" (the Koutsogiorgas type), but for implementing a specific program seriously and responsibly and above all in direct and continuous cooperation with the people.

All important decisions on the fate of this wretched country must be made with its people and not only in its name. Otherwise, the arrogance of power will become the hysteria of the opposition and the consequences will be sorrowful for all of us. And once again the unwritten law of politics will be confirmed. All parties are good in the opposition and none in the government.....

Stathis Papagiannidis
Student in Patras

TV For All

First of all, basic and extended work of the Movement's grassroots for the purpose of channeling its decisions and conclusions to the leadership and equal cooperation between the Movement's grassroots and leadership. This has not been done and is not being done. It is time that it begin.

Then, punishment of and ousting from various government positions (administration, ministries, local organizations, etc.) of all those who have fallen into errors of rightist mentality and who have shown anti-democratic conduct. A democratic opening to all the people and not party orgies that are being observed.

No to the arrogance of power.

Finally, radical revamping of institutions with leftist cadres of the Movement in the leadership of the administration so that in this way the proclamations in all fields of endeavor (economic, education, foreign affairs, etc.) of the PASOK government might be implemented. Also, as a change in the political mores of our country, discussions of leaders should be on television and not as bloody "balcony" confrontations.

All the truth should be told the people. Mr Maroudas, Mr Papandreu, the people voted for PASOK believing in sincerity and democracy that you proclaimed. Do it in deed. Television, gentlemen (I would have liked to call you comrades but you do not give me the opportunity), is for all the people. Therefore, more responsibility and objectivity.

Sincerely,
Thanasis Skoumas
First year law student

"Forewarning"

I am originally from the green island of Crete and I believe so much in Change, PASOK and its program that I think that if it fails no other government would ever be able to stand equal to its task and to the expectations of the Greek people.

The contract with the people must be respected.

The government must follow a more rational economic policy.

It should give greater weight to the small and middle class that is also the support of Change.

It should finance trade with lower interest rates.

It should make investments and increase productivity.

It should increase job positions.

It should combat unemployment.

The framework law on the TEI [Technological Business Institutes] should be cleared up.

There should be radical changes made in the TEI because the law does not clear the air and up to now nothing has changed in the TEI.

The most important thing, however, I think, is that the government must harden its position on the now rotten Right.

Othonos Bitzanakis
Student in Larisa

/30 Jun 84 p 18/

/Excerpts/ "They Should be Pursued..."

So that Change might not be endangered in 1985 the following should be done;

1. It should harden its stance vis-a-vis civil servants who incite democratic citizens not to vote for PASOK.
2. Improvement of low pensions.
3. Subsidies for agricultural products.
4. Policing of indispensable goods.
5. General freezing of agricultural debts.
6. Purging of directors and so-called directors in all sectors.
7. General implementation of the contract of honor with the people.
8. Hiring shortly of democratic young people in the security corps.
9. Change in the electoral system methods for informing the people. Meetings, wall posters, etc.
10. Full implementation of the health system.
11. Change in electric power, telephone, water and consumer goods rates.
12. General control over all services to monitor complaints, demands and just claims of lower class citizens so that they might not turn to neo-democrats.

Konst. Parasoglou
Ierapetra, Crete

"Downgrading of Teachers"

What should the government do? (1) Give civil servants a satisfactory uniform salary and uniform grading and rating system (what is now in the Chamber of Deputies is financially unacceptable); (2) the financial downgrading of teachers in relation to other civil servants must cease; (3) the entire family allowance should also be given to working women, an allowance that is taken away when one of the spouses works; (4) the prime minister must be concerned with domestic issues and the government must implement its 1981 pre-electoral program.

Eleni Theodorou
Teacher

Increase in workers' wages, job positions for young people and construction workers and drop in prices of various products. Implementation of the program that the government announced in October 1981. Fewer errors and many more projects so that Change might take root forever and without fear and threats from the Right.

I am not very satisfied with the 41.58 percent. There is still time. I am waiting for decisiveness and daring in the safeguarding of the working mother through legislation. I am unemployed, for trade unionism. I am raising a child... Strikebreakers should be punished by law. The system of pre-election demonstrations must be changed. Posters, proclamations and loudspeakers that tell us how we should vote must be banned. So many millions squandered, money that could be used elsewhere. Enlightenment through television.

Toula Zafeiropoulou
35 years of age
3 Ekavis St., Kallithea

Dear ETHNOS,

In responding to your invitation, I am writing you that it is too late to save Change because PASOK that monopolistically represents it

1. Does not have an ideological identity.
2. Has promoted "cadres" who are opportunistic and snob "pro-socialists." children of former dictators and "renegades," officers who "saved the nation from abominable and nation-killing communism," and "communist-hunting gendarmes."
3. Its members are made up of sure "anti-seditionists" from abroad while its followers are well-known opportunists of the "next day's (elections.)"
4. In the economic field, it has lost the confidence of both domestic and foreign capital that we needed so much. Also, the confidence of the small and medium-sized businessman.
5. In public administration, it constricted its natural functionaries, the civil servants, no matter how capable they were or not; it did not ask for their advice in anything and assigned reforms to children brought in from the outside who once they put on "their small pointed beards" began to play the role of reformers with the well-known consequences. At the same time, in order to confront unemployment, it fed the civil service monster with new blood (also to get some votes).

Thanks,

D.M. Anastasiou
35 Xeokratous St., Athens

I suggest that posters and placards be abolished by law because Greece has turned into a carnival. The people are unhappy with so many millions squandered in the streets for the promotion of parties.

Manolis Rigopoulos (sailor)

/16 Jul 84 p 13/

/Excerpts/ Strict penalties on civil servants who do not conduct themselves properly vis-a-vis the citizens. Improvement in low pensions. Unification of funds. Implementation of the ESY /National Health Service/. Relief from taxes and indulgent treatment of small and average businessmen. The dossiers on private citizens must be burned. General controls over all services so that all pending issues affecting citizens might be resolved.

G.N. Ignatopoulos
9 Voreas St., Athens

Posters and loudspeakers should be banned. Certain people should not expect to benefit from PASOK's victory. The ATA /Automatic Cost of Living Readjustment/ should be granted at once to community pensioners, something that has been delayed since 1982. Help to small and average businessmen.

S. Panagiotopoulos (pensioner)

Attention to pensioners. Tens of thousands of pensioners' votes will leave PASOK if Tsovalas implements what he said, i.e. that the present pensioners will not be included in the uniform pay. Just as the Right, PASOK now, by giving allowances only to workers, has managed to make pensions, that were supposed to be 80 percent according to law, less than 50 percent of worker allowances in certain categories. Social policy, not to the detriment of pensioners whose only weapon is their vote.

G. Enoriatis (pensioner), Papagou

Removal of permanent status for civil servants so that bureaucracy might be done away with. Tougher punishment for criminals. More hours of schooling in the lower grades. Increase in salaries and wages on the basis of productivity. Broad popular enlightenment and more contact with the people. The truth on errors committed. Work for young people. Immediate implementation of the ESY /National Health Service/. Unification of funds.

Stel. Manolakis
Khiliomodi, Korinthia

Work and new job positions for young people. Stopping para-education without any retractions. Creation of self-administered "youth communities" in every municipality through the intervention of the Ministry of New Generation and the Local Self-Administration. A house for every new family. Decrease in the length of military service and better army living conditions. Implementation of the 3 September proclamation. A more leftist policy and dynamic intervention of organizations in every place of work.

A. Georgopoulos, TEI /Technological Business Institutes/ student, Karditsa

All the cadres of the Movement, and not its followers, must occupy responsible positions in the government apparatus. The government must pay greater attention to the citizens who ask for service. Also, public money must not be squandered

needlessly. The government must also show more interest in the poorer classes and especially the farmers who work hard without enjoying the fruits of their labor.

Kh. P. (60 years of age), Gytheio

We are the ones who first of all must change: The I should be changed to we and my interest should be changed to our interest. The government should also help Cyprus more and it should always have international supporters on the Aegean and Turkish issues. The "purchase of the century" should take place quickly.

Giorgos Makris
Stavros, Karditsa

Strict controls over overpricing of food products because immunity from punishment prevails both in the cities and provinces where the people have become angry.

Giorgos Kalyvitis
Foiniki, Lakonia

PASOK's big mistake, in my opinion, was the courage it gave the Right for the latter to reach the point where it is now talking about democratic institutions. At any rate, the ministers must become serious and all together move forward on the difficult task they undertook. Also, military service must be decreased by 2 months.

Stef. Georgiadis
45 Vas. Olgas St., Salonica

PASOK needs a dynamic counterattack. It must strike a blow against bureaucracy which continues to prevail. It must expand city planning even in a piecemeal fashion (why so much delay?) The public administration must be purged of rightist elements that are putting a brake on change. Certain bills that have come to light were not voted in because of opposition. Before announcing a bill the government must know about this opposition from the start and act accordingly.

Nikos Lazos (teacher)
68 M. Vasileiou St., Khalkis

The unemployment problem should be tackled with radical measures and hiring should be conducted through proper criteria and no longer through "the little window" as is the case with the government of change. Law 1320/83 should be modified because young people are being wronged in relation to married persons. Only the grade of the school certificate and age should be taken into consideration. Of the 8,500 hirings that will be made this year, 8,000 relate to married persons, men and women. Young people must wait for work, in the spirit of the present law, after 10 years.

D.P. (private employee)
Salonica

The PASOK government must strengthen the Greek farmer's income by lowering production costs and extending market policy from the farmers' means of production to all means of production. The granting of a certain amount of liquid fuel every year at a lower price for purposes of farming and transportation, in accordance with the productivity of each.

Dimosth. Angelopoulos (law graduate,
farmer). Akhladia, Aigiou

Unemployment that is being fomented by the Right must be combatted. PASOK must quickly promote the ESY /National Health System/. Also, more emphasis must be placed on education with properly equipped and staffed schools.

Ilias Karvelas (chauffeur),
K. Kalandri

As I have observed, the big problem for the government of change --which, in my opinion, has not yet been commented on -- are our president's associates in the difficult task they assumed on 18 October 1981. Of course, the selection for his staff is not at all an easy task and yet for change to be anchored fast it must have strong supports and not underminers.

Eir. Delenika (15-year old student)
Athens

/17 Jul 84 p 18/

/Excerpts/ Only with the simple proportional electoral system will there be no possibility of our returning to the darkness and in this way we will forever bury the dead dragon once the progressive forces have the majority in Greece. Because let us not fool ourselves, all of and above all the government, that the 38.05 percent received by ND plus the 2.29 percent by EPEN /National Political Union/ means 40.34 percent for the Right and with this amount it cannot govern the country if, of course, the simple proportional system, the genuine simple proportional electoral system is voted in.

Tasos Georgiadis,
Khalastra, Salonica

The PASOK government has committed many errors. To show the needed interest in proud Thraki and to chastize those of its deputies who are the main persons responsible for all of this. To become concerned more over our merchant marine and our sailors. To open up the dossiers on scandals and to unsparingly strike against the perpetrators and rogues. Every sacrifice must be made to find ways to stop high prices. The government must at once get rid of its useless and dangerous workers.

Kyr. Karagiannis
46 Alatsaton St., Aigaleo

The drop in PASOK's voters, in my opinion, is due to two basic problems that the Greek citizen is confronting: The matter of the improvement of the quality of life the primary concern of which is the combatting of noise pollution about

which nothing has been done. Also, there has been a lot of highhandedness and abuse of power by relatives of ministers in power.

Manos Anagnostou
13 Kallifrona St., Athens

The government must get rid of big sharks, lazy bums, go-betweens and those having more than one job position. Work for young people. Schools and hospitals in the provinces. The government should support sailors. I support change and vote for PASOK.

Andreas Vlisimas (sailor), Ithaki

The government must show concern for the workers in factories, companies, etc. The workers should join trade unions freely because up to now "trade unionists" have been spies and bodyguards of the bosses and as soon as somebody makes a move to make demands and talk about trade unionism he is fired.

Dim. Tsatsaronis, Farsala

The government must keep an eye on its cadres. Through their conduct, the latter are persecuting the people. And let them not think that there are only a few people.

A few cadres have three or four responsibilities with the result that they are unable to live up to or produce results on anything.

A few public offices give the impression that they are party offices. And those who staff them are not always the best or are able to settle down and work.

There has been a lot of delay over certain measures that the government had proclaimed, such as the rehabilitation of national resistance fighters, the ESY, the uniform salary and uniform grading and rating system, etc. Especially with regard to health there should be no further delay. It is of decisive importance.

M. Markopoulos
Platamonas, Pieria

So that change might not be endangered in the 1985 elections it must purge all of its committees, appointed by ministers and nomarchs, of persons from the 7-year government period.

Eyi Andonopoulou
Nea Liosia

1. More activity by public services.
2. Hardening of positions on those who sabotage change in the public services.
3. The barefaced scandals of the Right must be uncovered.
4. The ESY must move forward and the big-time doctors who have made the health of the people a business must be hit hard.

5. The popular strata of the population (workers, small and average businessmen, pensioners), must be protected more through tax exemptions, proper granting of loans, etc.

6. There should be decentralization in Athens and Salonica.

7. Incentives should be given expatriates to make investments in Greece.

Gior. Daskalakis (dental technician)
47 Makrygianni St., Moskhato

Greater attention to children. Music lessons and proper vocational guidance to students in primary and high schools. More responsible information to students on matters that concern them in their schools. Renovation of scientific centers and better buildings. The flight of young people abroad must stop. Creation of job positions for young people.

L.I. (student), Patisia

All contacts and cooperation with Turkey must cease

I.E., London

I do not doubt that endeavors are being made but the average Greek, the worker, wants a better economic policy. He wants work and a general upturn in the economy. And for this to succeed the government should move forward at once to an expansion of city planning by opening up jobs in construction work.

Kost. Grigoriou
37 Spintherou St., N. Kosmos

Capital should be dealt a blow exactly there where opposition is born (big-time merchants, go-betweens). Return of G. Pottakis to the economic staff. Simplification and smaller makeup of government staffs. Eradication as soon as possible of every bureaucratic procedure.

K. Kakoulidis (political science graduate)
11 Nikokleous St., Kozani

/18 Jul 84 p 19/

/Excerpts/ Exemplary frugality by all members of the government. Less trips abroad and more at home. No superficial decisions. Decrease in the length of military service. Establishment of the position of deputy nomarch in all nomes to supervise and correctly promote the task of change. Controls over the operations of public administration.

Proper substructure for the development and support of cooperatives; a broadening of this organization. Tax evasion and profiteering must be combatted. Proper democratization because change is being undermined by all means possible.

Pan. Papadimitriou (independent businessman), Ritini, Pieria

Decisive measures for price controls. Combatting of unemployment, strengthening of the market and economic activity. Measures for the development of agriculture. More public investments. Lessening of the gap between private and civil service salaries. A more just form of taxation.

Combatting bureaucracy. A speedier implementation of ESY. Immediate nationalization of DEI /Public Power Corporation/, OTE /Greek Telecommunications Organization/, etc. Changes in the general examinations system. Measures for safeguarding high school graduates.

Stel. Voudouris, 11 Drakondas St., Kavala

I believe that the first problem the government should tackle is unemployment among young people.

Arg. Vourakis (pensioner), Piraeus

The government must do away with double job positions in the public and private sectors for a short period of time to alleviate the unemployment problem as much as possible. There are young men who have returned from their military service and have no money even to buy cigarettes. What are the people to eat? Change?

Ser. Lambrakis, Ag. Triada, Evrytania

Legislative enactment of the ATA /Automatic Cost of Living Readjustment/ without delay. Election posters and placards must be done away with. Bureaucracy must be abolished. Inspection councils must be set up. The EOF /National Drug Administration/ must be activated. A more democratic radio and television. Time for parties. Ministers, deputy ministers, deputies, secretaries general of ministries, nomarchs and mayors should go inside homes, shops, factories, hospitals and schools throughout Greece to listen to the problems of those who brought them to power. Trade unionism should become as Law 1264 specifies. Special civil servants must be made permanent employees. Work for all the people. Controls over the super-profits of tax-free industrialists.

Om. Delimakis, 28 Ipeirou St., Khaidari

Change does not mean a PASOK state but a continuous class and ideological struggle for separating the wheat from the chaff. Change means substantive abolition of censorship, more pluralistic, more varied and more substantive information media. Change means implementation of the most democratic electoral means, the simple proportional electoral system. Change means participation of workers in decision-making and abolition of anti-labor laws.

K. Kostopoulos, 12 Kaisareias St., Peristeri

Let us take a look at the workers with regard to the cost of living and their daily wages. Let us also take a look at the immigrants who want to be repatriated. They should be permitted to bring in their family automobiles without paying customs duties.

Apost. Tsoukas, Dachau, West Germany

A blow against bureaucracy that undermines change. Abolition of the permanent status of civil servants. Attention to the provinces because persons of the Right who are established there are committing a lot of sabotage. Certain comedies and lots of "will do" should come to a halt and be replaced with "here and now."

Geor. Saridakis 46 Mavrokordatou St., Peristeri

In my opinion, for change to be shored up (a) the ministers and cadres of the movement must become more active, namely by visiting their electoral districts at least once a month; (b) there should be a stop to expenditures for receptions and trips abroad for "wives;" (c) there should be a cut in expenditures for embassies where there are people assigned who are incapable and are out-and-out enemies of the people who gnaw at the public coffers without doing any work.

L.S., France

Decisions are clashing on which way the government should turn, Right, Center, Left. Well, gentlemen, we do not want you to turn anywhere. We want you to go forward for the welfare of the people. For that reason, we need medical, pharmaceutical and hospital care. Proper education for all the people. Work, not unemployment. Out with illegal favors. Out with all kinds of force. Social welfare for the people.

D.V. Karystinos, Karystos

Illegal favors should stop. The government should listen to the people. It should follow a more leftist policy and seek cooperation with other progressive forces (for example, the KKE). It should stop breaking its word. It should smash capital. It should combat unemployment. It should not make comparisons with the past. It should change the geography course in the 2nd High School where only the benefits from the EEC are mentioned.

Panag. Kostis (high school student), Patras

/21 Jul 84 p 17/

/Excerpts/ When in 1975 the Karamanlis government voted in the constitution, PASOK had withdrawn from the Chamber of Deputies proclaiming that it would revise it when it came to power. Why has it not done so? Is PASOK perhaps "arranging" a constitution and a Chamber of Deputies regulation cut and sewn to the measurements of the Right? Is there perhaps, in connection with the same issue, a problem with the president and if so why is not something like this condemned?

Why is not PASOK moving to an in-depth and substantive democratization of the armed forces but is content with a few fainthearted "modernization" measures?

From now on: The monstrous issue of church property must be settled. A referendum should be held on the EEC. The Cyprus dossier must be opened. The scandals of the Right, which constitute a big plus in the hands of PASOK, must be "developed."

M.T-S, Kypseli

1. The PASOK government has done much but it has not done the most important thing. I am sorry but it is incomprehensible for me to understand how it is possible that there is a president of the republic with a completely opposite political orientation from that of the government that was voted in by the people. No matter how accommodating Mr Karamanlis wants to appear, it is certain that there is a difference of opinion. Many promises of the government remain unfulfilled because of the political position of the president of the republic. Mr Karamanlis himself must first of all give the example to the average politician who must at some time begin getting their pensions.

2. There should be a radical purge in the military and security corps, as Andreas used to say when he was in the opposition.

L.M. 30 Parnithos St., Athens

All embezzlers, robbers and swindlers in the private and public sectors must, without exception, be brought to justice, regardless of the fact that they might be shipowners or politicians, now or in the past, so that public feelings might be satisfied.

The debts of small and average businessmen to all public funds must be settled in 48 equal instalments.

All problem companies must be nationalized and must not be bolstered with loans (pre-electoral proclamation in 1981).

Church and royal property must be given to the people.

Records of complaints in all public services must be opened up.

Sok. Gaidatzis, 70 Ath.Diakou St., Agia
Varvara, Attiki

Since the liberation of Greece 160 years ago, PASOK is the only party that has made an issue of national independence. The voice of Greece is being heard to the ends of the universe. The fact that the price of cherries and peaches has gone up is an incidental matter and it would be petty for the Greek voter to be influenced by the prices of the vegetable seller. PASOK must keep an eye on opportunists. The representatives of the people must be workers, intellectuals employees with salaries not to exceed 80,000 drachmas. Sharks with villas and Mercedes have no relationship with socialism. The government must move more to the Left because the recent elections showed that not even a half a conservative voted for PASOK.

G.A. Grammatikopoulos, Pondokomi, Ptolemais

PASOK lost a large percentage of the electoral force because of the arrogance of power and because of men who failed, primarily Arsenis and Kedikoglou. The former failed because he did not succeed in obtaining foreign capital and because he discouraged domestic capital. The latter failed in price controls and provoked the ire of the small and average businessman. Another reason for the failure was the fact that centrist cadres were not utilized. Attention should be placed on

the improvement of the standard of living of the workers and pensioners. The decrease /in the PASOK vote/ in the urban areas is due to a drop in the income of its inhabitants because the ATA is lower than the inflation rate.

Khar. Dermitzakis, 7 Salaminos St., Kalamaki

The bases stay, the country remains in the EEC and NATO, PASOK seeks to find its political identity violating the contract with the people who in 1981 with 70 percent condemned the policy of dependence. PASOK must tell the people frankly what kind of party it is, socialist or bourgeois democratic.

The simple and unadulterated proportional electoral system so that once and for all the Right might be thrown on the ash heap of history.

Dim. Panagiotopoulos (student), Lala, Ileia

For me, the biggest reason for PASOK's failure was that the slogan "People, PASOK to Power" never did become reality. I am a civil servant and unfortunately whatever happened under the Right is also happening today.

Giorgos Papistas, 44 Venizelou St., Salonica

The prime minister must pay attention to the pre-electoral proclamations. Before the elections he used to say, "PASOK in Government, the People in Power." PASOK became the government but the Right has remained in power.

Angela I., Lavreion

Proper people in proper positions, with great appetite for work, so that they might produce in their task and so that Change might be bolstered. Laws that have been enacted by the Chamber of Deputies must be implemented. Also, bills that will bolster Change must not be delayed.

Tasos Avranitis (worker), Montreal, Canada

What do you want Change to do when Greek workers, illiterate and unemployed here in Germany who were for years exploited by the Right and now here comes PASOK that embraces them like no one else has done and that has cleared out the consulates of its pimps and thieves, and then when elections come along they give ND 36 percent. What do you want PASOK to do? Unfortunately, that is the way we Greeks are. When we lose something that's when we ask for it.

D. Andoniou, Munich

/23 Jul 84 p 17/

/Excerpts/ So that Change might become anchored better, radical changes must be made in the economy. Mr Arsenis, an outsider, must be replaced by a man who knows the situation in Greece and who can implement the vision of an economic upturn. A person who can make productive EEC grants and improve conditions for our entry into the EEC. As for international relations, he must develop closer cooperation with the peoples of West Europe and drop the friendship with the Third World which, in my opinion, do not offer Greece anything. He should abolish Article 4

that muzzles trade unionism. He should continually create new job positions. He should implement the ESY but without the article on private clinics. He should hire people using proper criteria. He should make television more objective with equal terms for all parties.

Khar. Lambrou, 37 Gallias St., Volos

The electoral law with the genuine simple proportional system should be voted in.

2. A domestic use rate account for electric power should be implemented with an immediate drop in the rate. Also, the billions owed by industrialists should be collected by the DEI /Public Power Corporation/

3. Multi-position holding by individuals should be combatted since our youth are unemployed.

4. Agricultural products should be made available to the people and not to middlemen and wholesalers.

5. Excessive expenditures for armaments should cease. Private education should gradually be eliminated and modern human schools for the children of our people must be built.

6. Narcotics dealers should be combatted and not the victims. Detoxication centers for our children must be set up.

7. A radical change should be made in the army and prisons so as to put an end to the psychological and physical assassination of our children in these places.

8. There should be an end to receptions and luxuries because they do not become socialists and are a provocation to the people.

Mikh. Kraounakis (municipal councilor),
Kaisariani

I believe that the foremost problem of concern to all the people and that must also become the concern of the government is the economic problem in all its aspects. Secondly, I believe that confronting those, both local and foreign, who oppose the task of government must be more dynamic.

Angelos Desyllas, 4 Leostehnous St. Athens

Administration. An endeavor to implement rule by capability and the organization of a functioning and civilized state.

Economy. Checking of inflation and a more systematic control of prices.

Completion of semi-finished production projects and environmental projects. Review of the laws on nationalization so that nationalization might relate to the objective of production activities and not to management. Also, abolition of inspection councils and the setting up in all names of offices for following economic developments and for implementing governmental economic programs.

I.G. Maravelekis, 22 Rodon St., Zografou

So that the government might move forward correctly and so that the Right might be tossed on the ash heap of history, the following should be done: the length of military service should be decreased at least by 6 months and the soldier must get paid by the state. Pensions at age 60 and the amount doubled. Attention should be paid to health and welfare matters. High prices and adulteration of products must be combatted. Cheaper fertilizer and regular subsidies for agricultural products.

Khar. Rizaris (farmer), Lokrida

[24 Jul 84 p 19]

[Excerpts] Continuing our survey, our readers demand of the government and the prime minister the restrictions over the activities of PASOK's branch organizations; democratization of the armed forces; placing proper people in proper positions; and generally-speaking honoring the "contract with the people." Other suggestions and demands include the following:

- All the scandals of the Right must be made known to the people.
 - Only those who have genuine need must be hired and not only relatives and friends of ministers.
 - PASOK must cooperate with other democratic forces on the basis of a minimum program.
 - The errors of the Right must not be repeated.
 - Deputies and ministers should acquire socialist habits.
1. Unemployment which is ravaging our country must be combatted in every way.
 2. Once and for all, a serious plan for "education for all" must be drawn up.
 3. The relentless taxation of small and average businessman should stop.
 4. There should be a halt to hiring in the civil service through the so-called "small window" way, with the acquiescence of the party branch organizations.
 5. Bureaucracy must be combatted in every way possible and building construction taxes in the provinces should be decreased.
 6. Television should be reformed and serious and responsible people assigned there.

Giannis Vardakis, 39 Ekvaranon St., Ilisia,
Athens

Attention must be paid to towns, the backbone of the nation.

1. There should be reforestation of the land.
2. Libraries with books on forestry, orchards and flower-growing should be built.
3. Each child that plants a tree should be given 100 drachmas.
4. Committees should visit towns often to listen to problems and resolve them.
5. The number of deputies should be reduced to 250.

Dim. Papathanasopoulos, 104 Zanni St.,
Piraeus

1. The prime minister should be strict on his associates because they do not inform him correctly and responsibly.
2. The proper person has not been assigned to the proper job.
3. The staffing of the government with centrist and genuinely democratic elements.

The joke about anti-secessionists abroad should stop.

4. A halt to the permanent status of civil servants. Greater strictness over their allowances.
5. Squandering of public money, sinful agreements, biased loans, anti-national agreements concluded under the ND government, all should become known to the Greek people.

Mikh. Kondopoulos, Athens

Change should also come into play forcefully in the army. The decrease in the length of military service should become a fact for all three services. The 26-month cutoff of the young Greek citizen from the most productive years of his life is equivalent to catastrophe. Also imperative is the democratization of the armed forces and the radical purging of fascist elements that undermine the task of Change.

The many-month symbiosis of those in the military with the permanent armed forces fascist types is a consequence of the politico-progressive deorientation. Moreover, we must not forget that the army is a "Big School."

G.K. (soldier), Piraeus

1. There should be strict control over the so-called "green guards" who often cause great harm to PASOK.
2. Priority should be given to the development of projects in the rural areas and especially those in the frontier regions.
3. Crackdown on tax evasion and special concern for wage earners who pay for a lot.

F. Georgiadis (pensioner), Athens

The local reactionary forces are extending their pressures on the government to have it shift its policy toward the Right. The Greek people, however, do not want a turning back. What is to become of the 350,000 unemployed? What is to become of the collective agreements that are in abeyance? What is to become of the exemption from taxation and the provocations by industrialists? Once and for all, down with tax evasion of the big monopolies that continue to plunder our country.

Khrysa Kypraiou, Exarkheia, Athens

1. The party branch organizations should be abolished because persons have entered who are undermining the task of Change.
2. The National Health Service should be implemented as soon as possible.

Minas Nikolaidis, (OTE /Greek Telecommunications Organization/ employee), Kavala

When PASOK politicians came to power the first thing they did was to bless their own beards. They put their wives in positions, their brothers too, their friends. While doors remained shut for mere PASOK followers who had real needs. The public notices this, talks about it, judges everything and is indignant.

Kharis Giannetakis, 35 Saranda Ekklesion St.,
Nea Smyrni

[25 Jul 84 p 17]

[Excerpts] A segment of the religious people voted for PASOK in 1981, having become indignant over the church policy followed by ND. They hoped for some change in this area. Unfortunately, however, the situation remains the same and is even getting worse. For that reason we will vote against PASOK in 1985, especially because (a) not only did it meet with but worked together with the junist Archbishop Serafeim, scorning every popular protest; (b) it still maintains the junta Regulations 3 and 7 of 1974; (c) it maintains privileges in "bishopocracy" and the church establishment; (d) it has combatted the Orthodox tradition of our people in many ways; (e) it has proclaimed atheism in schools, providing weapons to the hypocrisy of the Right; and (f) it scorned the church and other militant clerics through various deeds.

Nikitas Khrysakis, 36 Sokratous St., Athens

When will the practice of holding many job positions in the private sector, where thousands of gendarmery pensioners work, cease?

I. Khrysanthopoulos, 30 Miaouli St., Salonica

Ministers should check up on contractors who undertake projects but leave them half finished with the result that the citizens have become indignant. The National Health Service should be implemented quickly.

Vasil. Sakkas, 116 Evrou St., Agia Sofia, Piraeus

I propose an end to permanent status in the civil service. Building plots should be given gratis to all who do not possess any. It is a shame for the state to possess them and not the Greeks themselves.

G. Agorastos, 14 Evans St., Patisia

More special emphasis should be given the economy of the country. Unemployment and inflation must be combatted. The lower classes of the population should be given special attention. No more price increases. There should be a halt to high prices. Combatting of tax evasion and lightening of the tax burden on low wage earners. Implementation of the ESY. Public administration should be cleaned up and bureaucracy abolished. Ministers, deputies and cadres of the Movement should acquire socialist habits and come closer to the people and their problems.

S.A. (student), Tripoli

1. Immediate implementation of the announced government program.
2. Purge in the public administration.
2. Combatting of unemployment and more projects for southern Evvoia.

Theod. Totos, Mesokhoría, Evvoia

1. Purge in the state apparatus and dismissal of the remnants of the rightist para-state.
2. Loans to be granted to all who want to build homes in the provinces without examining whether or not they already have homes in Athens or Salonica.
3. Monasteries and estates should be handed over to the people and their lands handed over to farmers without delay.
4. More attention must be paid to the shopping concerns of the housewife and strict market inspections as well as crushing of middlemen and wholesalers.
5. Great attention must be paid to unemployment.
6. A law should be passed allowing parties to express themselves over television and radio during election-time. Speaking from balconies, posters and loudspeakers should be prohibited.

Ev. Mandis, Worker Apts., Elefsina

1. Short-term and medium-term programs having generous popular support must be enacted. Resources: immediate implementation of the FAP /Real Estate Tax/; higher taxation of high income recipients; crackdown on tax evasion.
2. Parallel development of programs having socialist content. Selection of effective and attainable goals in areas of international disputes. Careful planning for nationalization of industries.
3. Providing open information and discussion in the mass information media daily.
4. Popular education.
5. Staffing of the government with capable people from the entire progressive area. Opening up of Change to all its genuine friends.
6. Organization of uninterrupted contact with the grassroots and people.
7. Careful staffing of the party apparatus.

V. Papagiannis, 18 Agias Sofias St., Salonica

I believe that the people are dissatisfied primarily because of the intolerable high prices and also because of PASOK's unfulfilled promises. The remainder are well-known: combatting of unemployment, modernization of education, just taxation, free trade unionism. Also, abolition of the unacceptable inequality between state and private sector employees (the latter being literally at the mercy of employers) as well as support for men of letters and the arts.

E.K. (Painter, writer), Nikaia, Piraeus

1. Control over party branch organizations.
2. Control over and attention to nomes and areas where PASOK dropped significantly.
3. Greater attention to the minister of Northern Greece. Within 30 months, various regions (Kozani, Kavala, Drama, etc.) have changed and have gone toward ND.
4. Special attention to frontier regions which lack water, electricity and doctors.
5. Firing of those in key government positions who undermine Change.
6. Attention should be paid to small and average businessmen.

Khristos Delis (student), Solomos, Korinthia

1. Why is the democratization of associations being delayed?
2. We have already seen a great delay in the implementation of the ESY.
3. Why is the Cyprus dossier not being opened?

And. Kalligeris (student, 25 Ilioupoleos St.,
Nikaia

/Excerpts/ In the continuing survey, our readers today ask that the costly and noisy pre-electoral displays with loudspeakers, posters and placards cease. Television should be available to all parties so that the people might become aware of their platforms before casting a vote. Other readers propose that the number of ministers be reduced; the prime minister himself should assume the position of minister of national economy; pensioners should not be permitted to work; the simple proportional electoral system should be adopted; measures should be taken for the transportation system and against pollution; and all those who have embezzled public money should be forced to pay it back.

Promotion and development of the experience and ideas of the "grassroots."

Preparation of a more civilized pre-electoral climate over television.

Setting up of special areas for posters and placards in cooperation with the Local Self-Administration and prohibition of the use of loudspeakers.

Prohibition by law of electioneering pollution.

The complaints services that were announced should be receptive to studies and resolutions of problems by specialized citizens.

Direct contact with the people, immediate democracy.

Aris Dimou (student at the Pandeion), Student Building, Athens

The most basic point: providing information to and obtaining information from the people (and not only through the mass information media). Need for direct contact with the grassroots and not with various staffs and advisers.

Decisiveness and not retractions in decision-making and taking of measures over important issues.

Credibility of principles in the eyes of the people must be reestablished. The state should see to the daily problems of the citizens.

Social and financial provocations by certain government officials (receptions, etc.) must be avoided.

M. Toumbakaris (electrical engineer),
14 M. Alexandrou St., Marousi

1. The prime minister himself, since he is an internationally known economist, should take over the Ministry of National Economy.
2. The small and average businessmen should be helped because they employ many workers.
3. Holidays should be cut down to the minimum so that we might have an increase in production.
4. The number of ministers and deputy ministers should be reduced.
5. The permanent status of civil servants should be abolished so that the state apparatus might function better. However, no firings with party criteria.
6. The party mechanism should not be mixed up with the government one.

Lazaris Pavlidis, 18 I. Prokopiou St., Salonica

Suggestions for reducing unemployment:

1. All workers to be pensioned at age 60.
2. Incentives to small pensioners to leave for the provinces.
3. Pensioners, especially those with big pensions, should be prohibited from working in the public and private sectors, at a time when thousands of young people are out of work.

Mikh. Gounis, 16 Pasargardon St., Athens

There should be a more careful selection of Mr Papandreou's associates because I believe that PASOK is losing a lot because of this selection.

Giannis Spanos (chauffeur), Athens

PASOK should use less "will do" expressions and vagueness and should instead become a government that presents itself positively and substantively.

Th. I. Bairaktaris (honorary high school principal),
24 D. Ipeirou St., Ioannina

We workers in the private sector have one big complaint and that concerns the length of military service. We ask that this time be added to the 35 years needed for a pension at age 56.

Ev. Zafeiriou, 5 a Gounari St., Piraeus

1. The government should move forward more quickly in implementing revolutionary changes in health, education, social welfare (old age, uninsured) and the quality of life.
2. It should resolve the small and large daily problems (transportation, price controls).

3. It should adopt the simple proportional electoral system.
4. Through open discussions on television it should make known to the people the work it has accomplished because the people are unaware of this to a large extent.
5. It should take steps so that deputies who leave the party with which they came to office through elections will stay out of the Chamber of Deputies until the next elections.

Mimis Kortesis, 73 Arapaki St., Kallithea

1. Removal of all reactionary elements from government.
2. Certain government cadres must show more seriousness and industry and must stop such things as giving receptions and being arrogant.
3. Measures should be taken on transportation needs and combatting pollution.
4. Orders from above should stop.
5. School buildings must be built and school books should become available more quickly.

G. Mavrotsoupakis (student), 82 Pendelis St.,
Ano Vrilissia

1. Change in the tax system to the benefit of the workers.
2. The Cyprus dossier should be opened.
3. The simple and genuinely proportional electoral system should be adopted and not a system that would serve two parties.
4. Definite shutdown of suspect bars that pander to youth.
5. Cooperation with the KKE, the party that could help in the course toward Change.

K.P.Z. (civil servant), Navpaktos

/8 Aug 84 p 19/

/Excerpts/ A radical purge is needed across the entire social and economic spectrum of the country.

Safeguarding of the right to work for all.

A more just tax system. Discrimination in favor of capital should stop.

A cleaning up of the banking system.

Nationalization of monopolies is a nation need.

The self-supporting development of the country must be speeded up. The government should condemn the country's dependence on international capitalism and imperialism.

Greece should not become a new Chile. Within the plans of local and foreign reactionary forces and foreign secret services is the strategy of sabotage, upsetting and economic and political chaos that would lead to a military coup d'etat.

Babis Trivilas, 40 Thrakis St., N. Smyrni

PASOK must remain steadfastly attached to its proclaimed positions and it must keep all its promises.

It must resolve the daily problems of the people.

It should inform the people on what it has done in the last 3 years.

With regard to intra-party matters, it should set up a school that would be a kind of school for dynamic and experienced cadres who would eventually staff the movement's organizations especially in the provinces where it is being rendered weak.

More attention to youth.

I will conclude with something I consider most important. Don't you think that we have become, indeed in such a short period of time, an establishment? Why are you content on sitting on your laurels?

Pandelis Maredis, N. Ionia, Volos

A decrease in the length of military service is necessary, at least by 6 months. We are among the very few countries in the world --and the only one in Europe-- with such long military service. I realize that with our situation this is not an easy thing but think how destructive is the many-month cutoff of young people from their studies and work during their most productive time of their lives. And with how much longing will they return to productive life when they have lived together with so many fascist elements.

M.K. (student), N. Faliro

1. Decentralization without any further delay.
2. All those who "deviated" after October 1981 must be fired from important positions --they must not be persecuted because that does not become PASOK.
3. There should be a crackdown on tax evasion.
4. The "green guards" who conduct themselves in an ostentatious and provocative manner have driven away many civil servants from Change.
5. Vested rights of civil servants must not be affected.
6. Ministers and deputies should visit the provinces often to view problems close up.
7. Why does not television promote the work done by Change?

A.K. (civil servant), Zografou

1. Increase in farmers' pensions.
2. Seminars should be held to better inform farmers in the provinces.
3. Farmers should be given pensions at age 60.
4. New job positions should be established. The holding of multiple jobs should be prohibited. Extreme rightist elements who undermine Change should be struck down.

Kostas Tselendis, Naxos

/23 Aug 84 p 13/

/Excerpts/ In today's (the last) continuing ELEVTHEROTYPIA survey, our readers write that times are difficult and for that reason we all have to help the government succeed.

Other writers made demands and proposed solutions to problems;

- Pompous proclamations should stop.
- The government should turn to the Left.
- Unemployment and high prices should be combatted.
- The scandals of the Right should be brought to light.
- The holding of multiple jobs should be prohibited and the illegal granting of favors should stop.
- More opportunities should be given young people.
- Flatterers who "turned green" after October 1981 should be watched.

1. Purge from the government of those employees who harass citizens and sabotage the government's task.
2. Abolition of the permanent status of civil servants.
3. Prohibition of political gatherings that render the people fanatical and promotion of open dialogue with all parties over television.
4. Equal pensions for all insured.
5. Positions in the civil service must be occupied by capable personnel after proper examinations. Also, illegal granting of favors must once and for all come to a stop.
6. Young people should be given opportunities.
7. Immediate taking of measures for our livestock raising sector that is in danger of extinction.

8. Promotion and implementation of the ESY National Health System.

Dim. Katsaros (farmer and livestock raiser),
Lygourio, Argolis

The price structure should be cleaned up through full implementation of the new trade code so that profiteering might be combatted.

Speedup of the signing of many collective agreements that are still in abeyance.

Radical changes in the credit system so that small and average business might be better served.

The frequent pompous government proclamations on projects and programs should stop.

The upgrading of Athens quality-wise should be achieved.

There should be a determination on what industries are to be nationalized and nationalization procedures speeded up.

The public administration sector that slows down the government's task and harasses the people should be cleaned up.

The juntist Right whose presence constitutes a provocation should be restricted.

Stef Vogazianos (teacher of ethnology),
20 Vyzandiou St., N. Smyrni

The practice of holding multiple jobs in the private sector too should be done away with.

All pensioners should be prohibited from holding jobs.

Overtime should be abolished.

D. Dimitriadis, 76 Mikras Asias St., Ambelokipoi

Young people, who fought for and supported Change, should be given jobs.

D. Anagnostou, 256 L. Thiseos St., Kallithea

PASOK is a dynamic party never before seen in a Greek republic. It is interested in the country, people and nation. There still are, however, apprentices of the Right who influence many Greeks by various forms of slander.

For example, we say that the price of cherries and peaches have risen. This is an incidental matter and it would be mean for every Greek voter to be influenced by the fact that prices at the fruit store have gone up. PASOK must keep an eye on opportunists.

Workers, intellectuals and employees must be the representatives of the people. Their salaries should not go above 75,000 drachmas.

Sharks with "Mercedes" and luxurious villas have no relationship with socialism.

The government should turn more to the Left because the recent elections showed that no conservative vote fell to PASOK.

Anastasios Katekhis
Bronx, U.S.A.

Pre-election speeches given from balconies should be prohibited by law.

Deputies and ministers should visit the provinces.

Strict controls should be imposed on local organizations.

Complaints offices should be set up.

Bureaucracy should come to a halt.

There should be regular municipal and community congresses.

Clinics of big-time doctors should be abolished.

Apostolos Pouziaros, W. Germany.

Attention should be paid to (a) the housewife's food procurement problem that grows worse daily because of the price increases; (b) bureaucracy in the public administration; (c) internal opposition, both open and hidden, within party branch organizations and parliamentary ones, that shatter the confidence of the followers of Change and undermine the task of Change.

Giannis Khristidis (farmer)

In the social sector, our "socialist" (?) PASOK after being in power for 3 years now has increased unemployment, presented the ESY on paper but at the same time has increased the number of folding beds in hospital corridors.

In the education sector, it changed the name of the examinations from Panhellenic to Pan-Greek and now to General (with still the same quality) and it increased the number of those entering the AEI /Advanced Educational Institutions/. No one has thought how all of these students can be absorbed.

In the cultural sector, "miracles" have been accomplished. Women's organizations, instead of thinking first of all about their own children, issue resolutions on children of other nations.

No government would have been able to perpetuate the institution of bases in our country. The PASOK government succeeded! No government would have succeeded in imprisoning our country in NATO so that it boldly shouted "Out of NATO." The PASOK government succeeded.

D. Anastasiou, 35 Xenokratous St.

Measures should be taken on the matter of unemployment.

PASOK should pay attention to domestic policy issues.

P. Papadopoulos (sailor) Piraeus

Rightists should be ousted from PASOK local organizations.

The practice of illegal granting of favors should stop.

Vas. Petragiannis, Kotrona, Lakonia

5671

CSO: 3521/347

POLITICAL

NORWAY

COMMUNIST NEWSPAPER OPENS LETTER COLUMN TO PARTY DISPUTE

Chairman Kleven Attacked

Oslo FRIHETEN in Norwegian 13 Sep 84 p 10

[Letter from Magne Mortensen, national director of NKP from Narvik: "NKP Is Now in Serious Danger"]

[Text] I have noticed party chairman Hans I. Kleven's statement in FRIHETEN following the last national directors' meeting that the elections there gave the party a new gift. He also said that a new phase is beginning for NKP [Norwegian Communist Party]. It is a serious decision that I am making here in the party's main organ to openly enter a controversy against the viewpoints of the party chairman. But after having followed the entire process of electing the leadership of the party--all the way from our last national congress--I must express my opinion about the situation that the NKP has been brought to since the last national directors' meeting to those who correctly are given the main responsibility for what has happened.

It is well known that there are groups around individuals in the party, especially in the Oslo area. It is also known that there have been, and still are, disagreements in the party about certain questions both of international and national character. But that is also the case in other parties.

It took the nominating committee a very long time to get a leadership elected which would reflect these conflicts. They concluded with a nomination which practically all of the national congress agreed to. All of the national directors believed that the election of Kleven as chairman, Arne Jorgensen as editor and Trygve Horgen as vice chairman was a very agreeable ticket which would be approved unanimously. But like a bolt of lightning, Kleven recommended that the choice of a vice chairman should be postponed. He had another candidate besides Horgen who came from Kleven's inner circle.

From that moment the negative process which began at the national congress in May began to reach full speed. The party chairman "hand picked" the national directors, and 11 of 15 are his "committee." The vice chairman and the organization secretary were elected by a one vote majority. This result has come after two harrowing national congresses. This has brought the party to the edge of a precipice.

The rest of us have fought for a line resembling that of the national congress when it chose the national directors--a combination of directors who play the different political lines in the party and a more geographic division of the political spirit than now, when the Oslo area is entirely dominant.

There has been no shortage of warnings about the party leadership trumping its own tricks, but they have been highhandedly brushed aside. "Now we have the power, and we will use it!" has clearly been the approach of that group. Kleven says everyone must follow the new leadership, because now we have a "new gift."

At a time in which all are calling for initiatives and active steps away from armaments and social decline, the party leader and his colleagues are succeeding in taking the party into a bitter conflict over leadership. They are using methods which have no equal in the history of NKP--in order to achieve a result that all now recognize.

We must now discuss around the country what we shall do to correct the damage. While we discuss that, I want to direct an appeal to all communists and members of the party: "Do not abandon the NKP. Rather strengthen the party. Be with us, and form a circle around FRIHETEN, so that the newspaper will not be the next place where all those who do not belong to the party leader's inner circle will be purged.

I believe that enough damage has already been done by actions which are contrary to the expressed desires of the national congress. And the main responsibility for all that rests entirely on the party leader.

'Spy Episode'

Oslo FRIHETEN in Norwegian 18 Sep 84 p 5

[Letter from Martin Gunnar Knutsen, national director of NKP from Skedsmo: "Spy Episode at the NKP National Congress"]

[Text] Following the well-known provocation at the NKP national congress on 8 and 9 September I was informed that individuals have intimated that I just misunderstood the issue, and that it must be I who went to AKERSHUS ARBEIDERBLAD with the material. Therefore let me be

precise: I did not misunderstand, and the episode was neither the result of free fantasy nor fabrication, in any case from me.

The day after the conclusion of the national congress I was, however, telephoned by journalist Steinar Brox of AKERSHUS ARBEIDERBLAD, who said that he had accurate knowledge of what had taken place at our national congress. The details he related convinced me that he was very well informed, even about who met with our representatives, the party leader's conspicuous passivity during the almost unbelievable episode, etc.

/During the conversation with Steinar Brox I obviously gave him no information whatever about anything from our national congress, neither about "the episode" nor anything else. Steinar Brox will confirm this, even though as a journalist he will not disclose the source of the leak./
[Passage enclosed in slantlines printed in italics.]

The serious part, however, is that there were one or more persons at our directors' meeting who delivered a report to a social democratic newspaper in the area in which I live, and it does not take much imagination to guess that it was done to damage "my good name and reputation." It did not succeed, because of the journalistic processing of the material, and because I have a deep-rooted confidence in the people here in the Lillestrom district.

I only answered questions from Steinar Brox on one point: when he asked my opinion of the spy charge.

My answer was the same as any NKP member would give. That espionage is foreign to every Norwegian communist, and something the party would never approve. I added that I would not allow a shred of suspicion to hang over me.

To the question of whether I would report Age Fjeld, I replied that I had not taken a position on that, but repeated the demand to be fully cleared of the charges.

Journalists interpreted this reply as that I was considering a libel suit against the one who made the accusation.

I have not considered a libel suit. This is an internal political case, and not a subject for dealing by judges or courts. It will not be reported by me, but must be solved on the party level.

I must, however, sharply protest against the statement by Age Fjeld to VERDENS GANG that the episode was something involving me, and also the party chairman's agreement that it is so.

Unfortunately the episode took place, although I wish that it had not.

Let me conclude with this: Someone other than I caused the provocation. Someone other than I "leaked" to AKERSHUS ARBEIDERBLAD. This is a rejection of any insinuation to the contrary.

Chairman Defended in Letter

Oslo FRIHETEN in Norwegian 18 Sep 84 pp 8, 10

[Letter from Leif K. Hammerstad: "About the Constitution of the NKP"]

[Text] As time goes on there have been so many lies and so much speculation about the constitution of the NKP that I assume it is correct and necessary for me, as chairman of the "Constitution Committee" to say something about the work of the committee.

It is one thing for a member to appear in FRIHETEN and express his viewpoints, but what is worse is the "leaks" which appear in other newspapers and sources which clearly have been in the center of the work of the national directors on the constitution, and who were not satisfied with the result.

First some words about the committee and its work. The committee was appointed at the national directors' meeting on 5 and 6 May. The committee was elected unanimously, and consisted of Maria Hansen, Finnmark; Magne Mortensen, Nordland; John Atle Krogstad, Trondelag; Per Lothar Lindtner, Hordaland; Sturla Indregard, Oslo/Akershus; and the undersigned who was elected by the committee to be the chairman.

As many know, John Atle Krogstad has in the meanwhile resigned from the party, but the others have in meetings, telephone conferences and letters been working ever since the national directors' meeting.

At the last meeting of the committee on 7 September, a written proposal was submitted by Magne Mortensen, and one by me.

Mortensen's Proposal

Among other things Mortensen's proposal advocates drawing comrades in the northernmost counties into the national directors' meetings by means of a new principle, namely a so-called telephone conference method, so that representatives from N. Trondelag, Nordland and Finnmark could participate in the work of the national directors.

At the outset I stressed both the practical and economic consequences and the uncertainties which would cause delays in such a composition of national directors. I considered it to be such a breach with our traditions that I recommended that instead there be appointed a committee which could study

the question and present a proposal of possibilities for such a telephone conference method, practical and economic.

In order to accomodate Mortensen I also recommended that one of the Ostland representatives be exchanged with one from North Norway, but Mortensen wanted all or nothing.

My recommendation also contained the selection of two vice chairmen, namely Ingrid Negard and Trygve Horgen.

I also emphasized that Horgen could participate in the working committee testing the telephone conference method.

When it was claimed that Kleven had hand picked his people, and it was also said that the national directors could not approve other candidates than those in the original nomination from Hammerstad, that is clearly not the entire truth.

Two Proposals

When the Constitution Committee did not succeed in reaching a unanimous position, there were two proposals presented to the national directors. One presented by me with full support of Sturla Indregard and partial support of Maria Hansen. The other proposal was presented by Magne Mortensen with the support of Per Lothar Lindtner.

During the national directors' meeting I further attempted to find a compromise solution, and my proposal had the support of Kleven, among others.

In the compromise proposal it said that the national directors unanimously approved the election of two vice chairmen, Ingrid Negard and Trygve Horgen. Further it recommended that the national directors be expanded by two so that Martin G. Knutsen would be included. In the proposal it was also stated that the Peace Policy Committee should be divided in two, with Martin Gunnar Knutsen as chairman of the International Committee and Rolf Dahl in the Peace Policy Committee. That was rejected by Magne Mortensen, so that the voting had to take place on the basis of the original proposals from Mortensen and me.

It must therefore be a farfetched claim to state that Hans I Kleven was not willing to approve other proposals and candidates than those which were "hand picked."

When I did not include Kare Andre Nilsen in my proposal as organization secretary, it was not because he does not have the necessary qualifications. My reason for choosing Naustvik was that we must decide where our party comrades can do the best job. I have no doubt that for the time being it must be in FRIHETEN that Kare Andre Nilsen will do the best job, and also that it doubtless would suffer greatly if Kare Andre Nilsen were removed from a prominent place in the newspaper.

Another situation which I believe should be emphasized is that for the first time our party has a woman as vice chairman, and that of the 15 national directors, 4 are women.

Form a Circle Around FRIHETEN

I believe that the national directors have a good composition, but if Magne Mortensen and his minority had their wish, both Horgen and Martin Gunnar Knutsen would today be vice chairman and member of the national directors respectively.

But let us not forget that Horgen is a member of the national directors, and that Martin Gunnar Knutsen, as first deputy representative, has a permanent right to meetings of the national directors. I will conclude with a statement by Magne Mortensen: "Form a circle around FRIHETEN," but I will also add, form a circle around the party and its leadership.

9287

CSO: 3639/4

EANIST PARTY CREATION AROUSES CONTROVERSY

Difficulties Facing Eanes

Lisbon SEMANARIO in Portuguese 2 Jun 84 p 9

[Text] According to very close sources, in the silence of his studies and research General Eanes continues to think that 'the central bloc is shortly coming to an end,' at which time all the conditions will have been fulfilled for launching a Democratic and Unitary Movement (MUD), the name that would be given to the movement to begin as of the end of June, a suggestion of its most determined supporters who would like to take advantage of a term for unitary inspiration opposed to the political regime deposed on 25 April 1974. Meanwhile, Eanes is faced with many and serious difficulties which he will have to overcome if he wants to win.

Its leaders say that the president knows that things must be done at the proper time. But there are those who don't go along with this opinion, considering it too simplistic.

It's a vast array of difficulties facing the president of the republic. At first glance, perhaps the most relevant of those difficulties involves the existence of three irreconcilable movements to which he is not committed but from which he expects good results:

- The resurgence of the CNARPE's [National Committee To Support the Reelection of President Eanes];
- Lourdes Pintasilgo and her populism;
- 25 April Association and the NeoGoncalvist front.

The president does not belong to any of them and he will not let himself get burned, but he certainly wants their results. The secret, then, is in knowing who is going to keep the accounts of those results and, especially, who is going to try to profit from them. This is a task that is reserved for the group of Joao Botequilha and Miguel Caetano, with whom the president had a get-together at the Monaco restaurant, ostensibly as a public sign of picking his political team. But when?

Since Ramalho Eanes knows things must be done in their own time, the reply is: when the central bloc breaks up.

The difficulties, therefore, lie in meshing the gears of these three movements and their results.

But Eanes faces other kinds of difficulties in the Belem Palace.

Problems in the Chief of Staff Position

The post of Eanes' chief of staff is currently vacant, which is possibly why the coordination of activities is deficient and liaison with the cabinet has been handled quite sloppily.

In the second place, some of the advisers who have been with him since 1976 are looking tired and would like to see new horizons. And the president is reserving new horizons and new places for them shortly.

In the third place, his entourage does not hide their jealousy or disenchantment over the meddling of advisers ensconced in the Damiao de Gois Institute.

One last area of difficulty, and one of the most relevant, lies in the fact that some of the members of his Committee of Honor in 1980 have abandoned him, such as Magalhaes Mota, Jorge Miranda, Veiga Simao, Vitor Constancio, Abrantes Ferrao, to name a few. It is clearly symptomatic that Ramalho Eanes has started appearing in public accompanied by Vasco de Gama Fernandes.

How is General Ramalho Eanes going to resolve all these problems in such a way as to find solutions in time to be able to launch his MUD?

For what? How? When?

Time will tell.

Pundit Disparages Eanes

Lisbon SEMANARIO in Portuguese 16 Jun 84, page unknown

[Commentary by Manuel de Lucena]

[Text] 1. Upon reading the dictionary of Joao Carreira Bom, published 9 July in the REVISTA EXPRESSO, I have to admit that what De Gaulle once declared in a moment of self-restraint, might be said of Eanes, 'mutatis mutandis,' to wit: That all Frenchmen were then, or had been, or would yet become Gaullists. But I question whether the saying has the same meaning in the Portuguese and Gallic cases. At the very outset, our Antonio, in contrast to the Grand Charles, is not named Luso or any other kind of 'de Portugal.' Next, he is not such a master of the language, nor does he even come close. And finally, he has spent his life periodically shaking off his coat, like raindrops, friends who are offended, but without any real passion. In the political sphere, his relations have been--from one side to another--

of the bilateral contractual kind, characterized by tit-for-tat and if you don't come across, forget it! A meager result, paradoxically, was that the rational, utilitarian calculation that inspired these relations produced temporary statements of disinterested or uncommon allegiance among idealistic hangers-on. That's all right, but later, after they stumble against Belem and fall when things end up badly, these disillusioned, stupefied hangers-on discover that actually, they never really did believe in what they were going to be doing there. In a state of need--chronic in the tenacious--they invented a kind of sterile cult, based on the vaguest odor of sanctity. And, to sum it all up, they hung on to what they could, be it an elusive man or a fleeting shadow. Thus sailors, for example, still wobbly on their legs after their immense aquatic solitude, hang onto street lamps in the narrow streets ashore, seeing again what they dreamed about on their stormy crossings. The reader should not see prankishness here, where there isn't any. I am also resorting to mere comparisons.

I recognize a single clear exception to the juridical rule just mentioned. And I suspect another one without really knowing. The latter is that of Dr Azeredo Perdigao, in the Constantinian phase into which he has entered, especially if he now wants to turn over the papal power to a foreman of the empire, to the great rejoicing of drifting clerics. This is something I still find hard to believe, but be that as it may, it proceeds from the highest rungs, fostered by our own poor vexations, trying to spiritualize once more the dense matter or to submit the spirit to the 33d ordeal. Over there, he should know. Let us trust in his occult designs, and may God keep him in the most convenient and prolonged state of enlightenment.

I shall keep secret the name of the indubitable person who is incapable of bargaining for methodological reasons, and I promise to safeguard it under torture. I am not going to spoil the thing by affecting a notorious modesty. I want to stir up certain coals of competition, even if disloyal, that to me seem salutary. I don't have anything, however, against equality of opportunity between the various sexes. And I should like to arouse, in the face of his profound acquiescence, the presidential dread. Because this unknown soldier (let's call him that) tempers his careful fidelity in the melting pot of the most sublime identification with the venerable, bows to the point of suppressing the difference between subject and object in an attitude that ends up being aloof and doesn't bear contemplation. Now, this is dangerous, and could lead, as is known, to the destruction of Someone. Psychoanalysis views in this area 'the death of the Father.' The Church, for its part, has always distrusted unitarian mystics, as alien to it as they are forgotten by God in an absolute fusion--and judging next that everything will be allowed them here below, instead of heaven.... But enough rambling: anyone who isn't a partridge and doesn't want its feathers plucked, don't let him accompany me. If he does, he should know what to expect....

2. Considering this emotional warning--as well as the distribution of militance between satyrs and nymphs--you will easily understand the shock I felt a few days ago when I heard the following melody, maliciously intoned: 'how come then you were an "Eanista"--and one of the most convinced--before you converted to General Soares Carneiro? Get on board the Express.' I went to

see, and I came back, perturbed by the great but peremptory sobriety of the dictionary. I shuddered as I thought of what my family and friends would think. Among them there are those who cordially envy my never having gone into that: 'This is the Manel whom Eanes was never able to fool....' A compliment of that kind, of course, puts me among that kind of privileged mothers-in-law who were never fooled by the first impression of suitors into figuring out their daughters' eventual misfortune. And they also never prevented any misfortune for the daughters. And also, as far as I know, never prevented any of them from marrying or taking off.... But, in closing the eyes, without which no one relaxes or gets stuck-up, praise is honey, as the fly confesses. First it sweetens, and then reinvigorates. Moreover, it corresponds in this case to the truth, which continues to be the best alibi. I wrote right away to Jose Antonio Saraiva and a short note to Vicente Jorge Silva for the clarification of large sectors of the populace and to put the elites at ease. I've never been an 'Eanista,' which also means that Eanes has never done me the slightest wrong, which is convincing to so many. I was a supporter of the candidacy of Soares Carneiro, yessir, and I'm not among those who are now repentant. Joao Carreira Bom is correct in attributing fervent presidential convictions to me. But he is wrong when he puts them in the past and even more in saying that I held them 'with Eanes,' unless for him the 'with' of our president is worth a hundred others.... To conclude, he guesses that I theorize now the 'bitterness of the lack of a project' and I don't dare confirm or deny this, since it would be a delicious torment: it goes down well in public, and if it fits, it deepens the feeling of nationality. At least it fights moral unemployment. I offer it, without thorns, to Prof Sousa Franco to strengthen the budget of those who can't wait, for no one weeps more beautifully than they. Thus they will have something to give if, one of these days in behalf of some saint, they beg for it.

3. In terms of Carreira, I'm even. But I still want to go on with the secret. Be aware, kind people, that I suffer from an acute professional deformation and I carry on a painful internal conflict that only history can remove. And the way I act in the world sometimes vacillates. Of course, in spirit, I remain incorruptible, firm as a rock in my primordial anti-Eanist vision, wanting intellectually (more than ever) to see Eanes returned to the peace of his civilian family and spared the tiresome burden of the military. I can just see him involved in writing a thesis on Luso-tropicalism, with field research in Bissau, from which blew the most insinuating breeze.... But then consider that my very soul rebels at the idea that, if that happens, I will no longer be able to study him or follow him or (deliciously) predict him. And worse: some of my blackest forecasts will become moot, clever theories that can only be proven if he takes power. If he doesn't there goes the evil that he would do, and I am left cheated as I write, however much I would rejoice as a citizen. And maybe someday they'll link me with the suspicion that bad Portuguese people prevented him from setting right 'this country's' course.

To sum up, my interests do not coincide entirely with the national interest, being to some extent even closer to those of the adversary. Once is not always, but may God help us without spoiling it for me!

POLL ON EANES POPULARITY: LOSING GROUND BUT STILL FIRST

Lisbon O JORNAL in Portuguese 31 Aug 84 p 9

[Text] Of the president of the republic, the government and the parliament, the president continues to have the most favorable image among the electorate, although his positive image has been eroding regularly since February, when it reached its peak in 1984.

According to the results of the Marktest/ O JORNAL poll for this month, in the first week in August, 26 percent of those polled had a positive image of the president, as against 33 percent in February.

Also according to the poll results, this decline in popularity was not the result of a stronger negative image (the president has a less negative image than the government or the parliament), but rather an increase in the group which voiced indifference.

After receiving the lowest rating in June (4 percent of those polled viewed it positively), the government recovered in July and August, but not beyond a modest 5 percent. The most favorable rating for the executive dates from January, when 9 percent of those polled gave it a "good image."

For its part, the Assembly of the Republic regularly received the lowest positive rating, varying between 4 and 6 percent, while its poor image tended to grow and is now held by 46 percent of those polled, although its rating was less unfavorable than that of the government: 49 percent.

Technical Details of Survey

The current survey is representative of the mainland population eligible to vote (18 or more years of age), residing in areas with more than 10,000 inhabitants.

Interviews were conducted among 412 individuals of both sexes in 16 locations during the week from 1 through 7 August.

The respondents were selected by the quota method, using sex, age and region as control variables.

Weighting factors at the regional level were taken into account in estimating the results for the universe.

In the treatment of the results, and for greater precision, a moving average of the 2 most recent months is used.

For the total sample, the maximum error is 45 percent (95 percent of probability).

Table: Poll Results from March through August regarding the Positive, Negative Image of the Three Branches of the Government (percentage points)

<u>Branch</u>	<u>Image</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>
President:	Good Image	30	27	27	27	27	26
	Bad Image	15	12	13	13	12	12
Government:	Good Image	7	5	4	4	5	5
	Bad Image	51	45	46	51	52	49
Parliament:	Good Image	6	5	5	5	4	4
	Bad Image	41	36	39	43	45	46

6362

CSO: 3542/135

POLL SHOWS FANIST PARTY WOULD RELEGATE PS TO THIRD PLACE

Lisbon O JORNAL in Portuguese 31 Aug 84 p 8

[Article by Jose Silva Pinto]

[Text] If the Portuguese were called on today to vote for a new parliament, with the present parties in the race, the PS [Socialist Party] would continue to be the strongest political force, since it would receive 29.9 percent of the votes, but if an Fanist party competed in the elections, the PS would not come in more than a modest third.

This prediction is the result of an analysis of the results of polls conducted by Marktest exclusively for O JORNAL between January and August 1984, using a matrix of vote transfers based primarily on the average values for the last 3 months of that period.

Although the polls are representative only of the urban centers of continental Portugal, the Marktest experts presume that the model used in fact reflected the behavior of the electorate as a whole.

Under these circumstances, it may be concluded that the PS would register a noticeable decline in votes from the 31.1 percent it won in 1983 (see Table 2), while the PSD [Social Democratic Party] would decline from 27.9 percent to 25.5 percent, or a difference of only 2.4 percentage points, which seems to indicate a stabilization of the PSD electorate.

There are, however, noticeable improvements in the strength of the current opposition parties: the APU [United People's Alliance] going from 18.6 percent to 22.2 percent and the CDS [Social Democratic Center Party] rising from 12.9 percent to 17.8 percent.

The category "abstentions and blank ballots," which stood at 24.2 percent in 1983, would now grow to 29.9 percent.

From the analysis of the results of the survey which Marktest conducted for O JORNAL, it can be concluded that if the current party picture remained the same, the PS would retain 61.3 percent of its 1983 electorate, losing 11.4 percent to "other parties" and 28.3 percent because of abstentions.

Regarding the PSD, 67.4 percent of its electorate would remain "loyal." (It would lose 12.4 percent to "other parties" and 20.2 percent because of abstentions.)

Greater loyalty is clearly evinced by the APU electorate (83.8 percent of those who voted for the coalition in 1983 would still prefer the APU, whereas only 3.2 percent would vote for "other parties" and 12.9 percent might abstain).

The CDS electorate appears to be even more loyal: 84.6 percent of those who voted for the CDS in 1983 are disposed to do the same now, whereas 9.5 percent might switch to "other parties" and 9.9 percent might choose not to vote.

Fanist Party Would Win

If, however, the party picture were altered by the appearance of an "Fanist" party, the results of the popular ballot would be very different.

Thus, it can be concluded from the Marktest survey for O JORNAL, the new party could emerge the victor, with 25.5 percent of the vote, most seriously affecting the PS (whose electorate would be cut in half, and it would have to settle for a modest third place in the Portuguese party "ranking").

More significant would be the losses to the APU, which would decline to 15 percent, instead of obtaining the 22.2 percent predicted without the new party in the running.

The survey also leads to the conclusion that, in this case, the elections would be much harder fought, because abstentions would drop to 20.7 percent of the electorate, instead of the 29.9 percent assumed if the elections were held within the existing party framework.

It is noteworthy, meanwhile, that with an Fanist party in the picture, the PS would only retain 41.1 percent of its electorate, whereas 33.8 percent would "feed" the new party, 15.6 percent would abstain and 9.5 percent might vote for "other parties."

The PSD electorate would be somewhat more loyal (63.7 percent of those who voted for this party would still do so, while only 4.9 percent would consider voting for the "Fanist" party, 13.5 percent might vote for other parties and 17.9 percent would choose to abstain.)

The APU would lose a fourth of its electorate (24.8 percent), retaining only 65.2 of those who voted for the PCP-MDP/ CDE-Verdes [Portuguese Communist Party-Portuguese Democratic Movement/Democratic Electoral Commission-Greens] [in 1983].

The CDS would be assured of the greatest loyalty; it would secure 80 percent of its 1983 electorate, contributing very little to the "Fanist" force. Only 1.4 percent of the voters of the party which lays claim to Christian democracy are prepared to switch to a party presumably born in the shadows of General Eanes.

Table 1. Poll Results within the Existing Party Framework (horizontal percentages)

Those who voted in 1983 for:	--Would Now Vote for:						<u>Would Not Vote</u>
	<u>Party</u>	<u>PS</u>	<u>PSD</u>	<u>APU</u>	<u>CDS</u>	<u>Others</u>	
	PS	61.3	5.8	5.3	2.0	1.3	
	PSD	1.8	67.4	0.8	8.8	1.1	
	APU	1.5	-	83.9	-	1.7	
	CDS	1.1	2.3	2.1	84.6	-	
	Others	1.0	9.1	-	-	73.3	
	Abstained	12.4	11.0	7.6	7.4	1.8	59.8

Table 2. Comparison of 1983, Present Vote, within the Existing Party Framework (vertical percentages)

<u>Party</u>	<u>Vote in 1983</u>	<u>Vote, August 1984</u>
PS	37.1	29.9
PSD	27.9	25.5
APU	18.6	22.2
CDS	12.9	17.8
Others	3.5	4.6
Abstentions, blank	24.2	29.9

Table 3. Polls Results with Fanist Party Included (horizontal percentages)

Those who voted in 1983 for:	--Would now vote for:						
	<u>Party</u>	<u>PS</u>	<u>PSD</u>	<u>APU</u>	<u>CDS</u>	<u>Fanist P.</u>	<u>Would Not Vote</u>
	PS	41.1	2.7	3.8	2.5	33.8	15.6
	PSD	2.6	63.7	0.8	10.0	4.9	17.9
	APU	0.8	-	65.2	1.0	24.8	7.5
	CDS	0.8	4.0	1.6	84.0	1.4	8.1
	Others	4.9	-	-	-	21.7	22.5
	Abstained	7.9	12.4	5.4	7.2	22.6	41.8

Table 4. Comparison of 1983, Present Vote, with Eanist Party Included (vertical percentages)

<u>Party</u>	<u>Vote in 1983</u>	<u>Vote, August 1984</u>
PS	37.1	18.1
PSD	27.9	22.2
APU	18.6	15.0
CDS	12.9	16.3
"Eanist" Party	-	25.5
Others	3.5	2.8
Abstentions, blanks	24.2	20.7

6362

CSO: 3542/135

AP'S FRAGA ON COUNTRY'S POLITICAL, SOCIAL HEALTH

Madrid YA in Spanish 13 Sep 84 pp 10-11

[Interview with Manuel Fraga, leader of the opposition, by Francisco Muro de Iscar; date and place not given]

[Text] [Question] The debate on the state of the nation is nearing. What are the basic problems that must be examined?

[Answer] National problems are naturally always the same. What changes is the way one looks at them and any success gained in connection with them. Starting with the cardinal point of foreign policy, it is obvious that the Socialist Government is experiencing tremendous, inexplicable and serious confusion that has prevented it from resolving fundamental questions, perhaps because it acted demagogically when it was in the opposition and because it now finds itself in a trap. That is an issue to which the Spanish people are giving more and more attention because they have seen their own fishermen fired upon with machine guns and even cannons. They know the problem of whether or not the emigrants are protected, forgotten or treated in a discriminatory way. They know the importance of international loans, support for foreign exchange. They know, following the Libya-Morocco pact, that large parts of our territory can be in danger. In addition, in foreign policy, whenever there is a problem, they see where their allies are and where they are not.

The frivolity of the PSOE [Spanish Socialist Workers Party] is especially evident with respect to NATO. Spain once took an important, positive step, although it is debatable if it negotiated well. But it was essentially accurate. Two years later, the socialist leaders have not clarified things and have made the Spanish people waste two years. But they still speak of a referendum they do not know how to conduct. The government should challenge the PSOE and file the convocation of such a vote, although if it were held, it would be an opportunity to see how tiresome the communists and the Soviet Embassy are. It is an extremely important issue and we must make the right choice. To stay on the fence, half in and half out, is stupid.

With respect to Latin America, which is going through a very complex political and social process, one cannot divide the countries into enemies and friends, based on the political system they now have, which is not always what one would

like. Spain has an obligation to get along with all of them and to practice a continuing family policy, although the degree of understanding may vary, depending on the case. One must get along with all countries, not lose contracts and be there. This issue goes far beyond Latin America, but it applies there in a special way. The same might be said of Israel, with which we should establish relations without further delay, or South Africa, a country that is lining up with the West, with which we have normal diplomatic relations, with which there has been no problem, which allows us to fish off its coasts more hake than we take in in waters of the EEC and which, however, for political reasons, we have rejected contracts that could have secured the future of the Bazan enterprise. That makes no sense.

In short, in foreign policy Spain has to be present proportionate to its size and capabilities. It has to give up the entire absurd neutralist pretension, recognize that we now have interests to defend everywhere and we must do so with the friends we have, meaning inside NATO and the alliance with the United States. That is our place, but it does not mean giving up the dialogue with all others.

[Question] The Common Market still has its doors half open....

[Answer] I do not believe it is not a matter of getting in at any price, but the hour of truth has to come. We cannot continue to wait for a new settlement on wine or fishing. We need dignified conditions and France is trying to impose its own. One has the impression that what actually governs bargaining is matters of domestic policy rather than the continuing defense of Spanish needs.

[Question] A second fundamental issue is that of the security of citizens and the fight against terrorism.

[Answer] The organization of a peaceful community, a state of law, enforcement of the law, and the establishment of a system of security and effective justice for citizens has never been easy, but at the present time, the government is performing this cardinal function poorly. The number of holdups and shootouts, the number of persons assaulted, the number of homes and apartments robbed, the problem of drugs: All this has grown worse in the past two years and reveals a lack of effectiveness. But not because of the problems in themselves, but rather, because of specific factors that have caused them, such as the wrong, blundering policy carried out by the Ministry of Justice. It is obvious that the release of prisoners from the jails, without taking measures to protect society, or the prison policy itself -- we have the poorest and least safe jails in the world -- are not proper measures.

All of this is affected by the problem of terrorism in which, even though there has been good progress because of France's action, for which we must be thankful, that progress is not linked with a sufficiently clear attitude here at home, as shown by the ambiguous words of negotiation with the ETA [Basque Fatherland and Liberty Group] pronounced by the minister of interior. It is obvious that with the ETA inside the law, we can see how we will reintegrate some persons, how we can get them to leave the ETA. But from there to thinking that one can achieve any kind of political negotiation is a huge gap. The

issue has been handled in such ambiguous, unacceptable terms that even given the lack of solidarity of some persons in the PNV [Basque Nationalist Party] and certain defects such as the proposal of the French Government -- we do not know whether or not it will authorize the extraditions -- there is obviously no justification for all this.

[Question] If France had acted ten years ago as it is now doing, what would have happened with the ETA? Is it justified that because it is dealing with another socialist government, France has changed its posture?

[Answer] If that French action had been taken, the problem of terrorism would have come to an end long ago. But I believe that France has not acted only because of that. Rather, for a long time it believed -- and it is sad to say so -- that it suited it to maintain such an attitude. Now they have realized that the terrorists in asylum there constitute a danger to them and their interests. Obviously, I prefer not to assess responsibility for what they did before and to be happy over what they are doing now, but at the same time, remind the Spanish Government that this is not enough.

[Question] Without any doubt, the main problem we continue to have is economic. How far does socialist policy go?

[Answer] The entire economic policy is in question and its consequences will soon be seen. It has been said -- and it is partly true -- that socialism had moderated its economic intentions. But it is carrying out a clearly socialist policy that is mistaken in the economic and social areas, accompanied by constant coercion and pressure on the private sector, which is the only driving force of the economy and which, for that reason, continues to regress. The general trend is downward and all the other indices are circumstantial. As long as we do not create wealth and do not reverse the current trend, it will be a matter of sharing the misery, whether or not they say so.

[Question] Will we win the battle against inflation?

[Answer] In recent days, important news has been published that seems to confirm fears we all had that the fight against inflation, taken out of the context of the general monetary policy, is not possible and that the goal of 8 percent will not be met. The banks had to pay a price, telling them that they should hold back money. Enterprises were persuaded not to invest because what was important was for inflation not to go up. They told the workers not to ask for higher wages because they could not be granted, although they would have the compensation that prices would not go up. But all this failed.

This although the Socialist Party, which only succeeds when it rectifies, has not yet presented its maximum offer. Obviously, it has not carried out a program of nationalizations, but even that is partly uncertain, for instead of following the French or English model, it chose the Swedish model, which acts by fiscal pressure and control of the banks and which is equivalent to a concealed nationalization in which, moreover, it is not necessary to pay indemnifications.

The money has already been held back as a result of the government's measures on coefficients, which retain no less than 52 percent of the money in the banks. This is a stupid, fatal, criminal figure, one has to say, and little known. The scant money left, despite the pressure to drive interest down, is the only good thing going because one can lower interest by a point or a point and a half, but then more and more pressure is placed on loan conditions. Furthermore, if there is no trust in investing, then there is insecurity about our international framework of action and on top of that, domestic and even physical insecurity, meaning that the people have no trust left. That is why, as long as they do not change the basic focus of the economic vision or as long as there is a secretary of state for economics and finance who says that he "is going to comb the Spaniards fiscally," meaning that he is going to get right down to their scalps to see what they have and direct their private economy, then it is impossible to believe that he is going to lower inflation or that the economy can recover.

While the systems that are always concerned about the socialist myth end up producing little and distributing poorly, in countries such as the United States, Japan, Germany and England, there are many rich but very few poor.

[Question] You have said that negotiations on the economic and social accord are not a real concertation....

[Answer] Concerted action means by definition that two parties that remain somewhat independent discuss all the problems affecting negotiations. Otherwise, what one has is a contract of support. Here, what the minister of economy is asking is that. He prevents them from touching the fundamental factors of the budget and leaves concertation on "important matters," like the old joke about marriage, in which the woman worries about little problems and the man the important ones. Except that in 40 years of marriage, there has never been one "important" issue! In other words, the minister sets the rate of interest, public spending, taxes, and leaves others to agree on what they are going to pay in the way of wages. It cannot be like that.

[Question] Are we creating a society of unemployed?

[Answer] Yes, and that is serious because at least we now know that the path chosen by the socialists is not going to lead us out of the problems. Of all the deceptions to which I referred, none is more serious than the figure concerning the creation of 800,000 jobs. Everyone knew that with a proper policy, we could perhaps have half that many. But it is certain that at the present time, the number of unemployed has increased by several hundred thousand and that, based on current plans, there is no way out. A restrictive monetary policy and a lid on public spending achieve nothing more than higher inflation. I say that the Socialist Government is unable to create jobs and that our society is moving toward a more serious kind of economic decadence if the Socialist Government is not voted out of office in the next elections. That is why the Socialist Government, which already knows it has no way out, which has no offers to make, now devotes itself to saying that there is no alternative and that the Spanish people have to tighten their belts. They must let the people speak and not deny the people this last freedom.

[Question] How is the moral health of the Spanish people two years after the socialist change?

[Answer] It is obvious that the area in which socialism has applied its principles is in the realm of the moral concept of society. Its pretext of a new ethic is destroying social morals, which is the only thing we have, because the rest remains to be seen and naturally, they have shown this in their entire administration.

I am among those who believe that a society is handled better with a light hand than with iron chains. Better because the people believe that things are right or wrong than simply in order to obey the law. Either one acts on the principle that it is better to be good, honorable, honest and decent or things will go badly. Here, the reality is that juvenile delinquency is on the rise, the family is under attack, the divorce law was exaggerated because of socialist pressure -- helped along by Fernandez Ordonez, let us not forget, who was already with them at heart. Then came the law on abortion and the attacks on the schools, which endanger the survival of private schools, some 40 percent of the total, and an issue in which before the Constitutional Courts even rule on the LODE [expansion unknown], the law is already being applied in some area by ministerial order.

Everyone knew that the Spanish people did not want the television coming into their homes to be like it is and at least wanted the freedom to choose something else. But we have to continue to swallow the official television of Mr Calvino, who does not give a hang about the hissing he heard this summer from a unanimous audience, for example, at the soccer field of that admirable city of La Coruna.

The fact is that it is obvious that when we come to these moral and institutional issues, the socialists hang on to the idea of gradually destroying everything, although with an attitude that is not one of the primitive, incredulous socialism of the past century, but rather, leading processions and carrying the flag in order to create greater confusion. They continue to follow the same policy and this has not been denied by anyone.

[Question] Do you believe that the socialists are changing society?

[Answer] Obviously, in two years, the process of change goes at the speed it can. If they are continuing the action we just mentioned, however, we shall have more confusion, insecurity, impoverishment and demoralization. If that is the change they want, they will finally have it. The people did not want this, however. Rather, they hoped that they would immediately gain greater development, more tranquillity and a spirit of coexistence and a more suitable ethic. They have accomplished absolutely the opposite.

There has been no socialist change because the PSOE proceeded demagogically in the opposition. Proof of this is that it then took out the persons it had "launched" on important issues such as colza. It promised what the people wanted to hear and consequently, deceived the people, who are worse off and who have less freedom than before. It has not allowed serious parliamentary criticism and there is less freedom in the media. If that is change....

[Question] One has the impression that your relations with the prime minister are not as broad as they might be, despite the fact that you are the head of the opposition.

[Answer] The Socialist Party has a sufficient majority to govern and it has said that it had 10 million votes -- it now admits that they are no longer "theirs" -- and that it does what it wants to. But you have to say that at no time, on no issue, has it accepted real bargaining. We would have thought it much more positive for a distinction to be made between ordinary administrative matters and matters of state, on which it is desirable for there to be a certain stability, greater dialogue with the opposition. A typical case was the education law, in which they could have avoided what occurred.

I go punctually every time that the prime minister or a minister calls me. But much more is necessary! The only time we asked for serious dialogue, on an education issue, it was not granted on various pretexts. Whatever the case, it is true that they do not really want dialogue. Let us get back to the contract of support. Above all, they have not done their duty of using that majority to consolidate the democratic system. Public opinion must know that the government has set its dogmas and has at no time engaged in dialogue about any of them. It will pay dearly for something it could easily have done with a majority.

[Question] One of the most important issues of that necessary negotiation between the government and the opposition is the election law. Has there been or is there any contact, any serious negotiation?

[Answer] I have reasons to believe that there is no reason to hope that they will do something they have not done so far. Messrs Guerra and Verstryngue have exchanged a few ideas, but I believe that so far, one cannot speak of bargaining, among other reasons because they have given us no text. But I believe that when a government has had sufficient time to do so before and when it tries to change the election law just before the elections, then it must above all think about how to prevent the loss of votes it is going to suffer. And as long as there is no concrete text, I have nothing to say.

We maintain what we have always maintained. We are not against a reasonable reform of the current decree-law. We believe that it was a very serious error of the constitution to include election aspects in the text, which prevents one from making a good election law. Whatever the case, whatever amounts to simplification, clarification of the election law, to be applied by the citizens and not the judges, is good and must be done. Finally, I believe that that law must include for the future an express reference to two issues that the people are demanding: better coordination of election processes in order to ensure that they will be held together every four years instead of one or two each year and secondly, measures to restrict election spending because it is bad for the country and for the political parties.

[Question] You have said that it is not the time for the Reformist Party.

[Answer] I did not say that. I say that it is not the time to complicate the party system in Spain even further, but to strengthen, improve and simplify it.

History teaches that the failure of the parties in Spain is due to the fact that the system has been too complicated, based on personalities, ill-defined. But there have not been, as in other countries, old parties that have played a real role, that succeed one another and are capable of responsibly exercising power. That has been and continues to be the major problem. In order to understand one another better, we could govern better with the party system they have in the United States, England or France than the one in Italy. That is why I believe that the people in Spain have now fully realized that on the national level, there are two major options: the socialist option and the one opposing it. These two must organize with a similar and equivalent strength. It is better to do so in the most united fashion possible rather than to encourage divisions.

[Question] But it is constantly said that the parties of the center right or the right cannot work together.

[Answer] It is comical that those who say so are the very ones who cause the problem, some newsmen, for example. The center right in Spain has had divisions for very complex reasons: the view of the government's role in economic policy, foreign policy, and so on, some of which have been overcome. I believe that there are now only personal reasons. As a person who has done more than anyone to avoid division -- and I have even been criticized for that -- I think that unity is necessary and possible.

[Question] Would you be willing to enter a government accord following the elections with Convergence and even the PNV?

[Answer] Yes. Naturally, this cannot just be a matter of lip service and in some areas, as in Navarra, we have tried pacts, put them in practice and kept our word, although they have not. Since nature abhors a vacuum, in order to achieve the best government for Spain, which is the most important thing, I believe that we must move toward that goal, but without forgetting that the reformist operation is headed, consolidated and financed from Catalonia in order to consolidate the role of the nationalists.

[Question] There has recently emerged a government pact between the two majority parties of Israel. If, in the coming elections, neither the socialists nor the Popular Coalition obtains a sufficient majority to govern, would you accept a coalition government?

[Answer] In politics, you can never say never. In a situation of national emergency -- and that is the case of Israel -- there may be a coalition government, generally with very specific agreements and for specific periods of time. The Israeli decision is probably the result of an undesirable solution and of a bad election law favoring the scattering of deputies and an emergency situation, but there are differences with Spain. However, under similar circumstances, it is clear that we would have to consider the possibility.

[Question] How long are you prepared to wait for your chance?

[Answer] I believe that that is a bad question because I did not come into politics as a man seeking to obtain specific things and I have been here too

long. However, I sincerely believe that that responsibility is drawing closer with every passing day and that it is no small thing to put an end to the Spanish transition and convince the Spanish people that their unity is not in danger -- it still is today -- that the major controversies are ending, that there is already a normal policy of administration. That is what we want to do. The Spanish people have learned a great deal and know how to judge those who only want to stay in power at all costs. That is why they constantly change programs, which is what has happened with the socialists.

Popular Alliance Offer

"Everyone knows," Fraga says, speaking of the Popular Alliance, "that we are the second political force in the country, although I hope for only a very short time, and the only alternative would be the one there is." He is convinced of this fact and plays down internal tensions in the party, which is "healthy, in a continuous process of expansion and clarification."

When I asked him about the "spectacular" incorporations announced for these months, he avoid the question, although makes no denial: "I never talk about that because I understand that the announcements are to be made by those involved. But whatever the case, I have to confirm that practically all the names that have been mentioned have been the object of very interesting talks in recent months."

[Question] And the AP offer: What about it?

[Answer] This is a party that has specific responses to all problems, drafted at our last congress and contained in two big volumes so that everyone may be acquainted with them. It is, in sum, a program offering that alternative defending the unity of Spain, which is still not totally achieved, and continuity, that defends morals in keeping with society today, that wants a clear, solid, secure foreign policy and a strict economic policy.

Economic Policy

[Question] Can you be more specific?

[Answer] We want to revise the economic policy in the same way that England, Germany, Japan and the United States have done. It is already done! The entire social democratic press all over the world laughed at Reagan; they had a ball with him. Well, did he do it or not? We cannot take one more step raising income taxes or social burdens, but lower them moderately. Once and for all, the entire matter of social security has to be reviewed and, along with it, all the things that do not work in this country. Spaniards must once again have the feeling that they have the right to undertake new action, to kill themselves working 24 hours a day to set up a new company and know for sure they will reap the benefits. To do so, the economic system has to work and everyone knows that with the current inflexibility of the financial system and the labor market, it will never happen.

At the present time, we have a submerged economy that pays no taxes at all and another that pays social benefits and taxes that cannot be raised any further.

That is why we have to see that they all pay what they truly can and that they do so equally. This presumes, not freedom to lay people off, but rather, that productivity will be a basic element in the maintenance of jobs.

Place in the World

In foreign policy, we must clarify our position once and for all and go where our friends are, with all the consequences that entails, with Portugal, France, England and Germany. What is good for all Europe must be applied to Spain, creating a real doctrine of relations with all others but knowing who our friends and enemies are.

Domestic Policy

In domestic policy, we must tell the country that the transition has come to an end and that there is no more bargaining except before the courts. The people have to know that they pay for what they do, that possibilities of invoking a given cause are over with. Political pacts have been made and consequently, we must guarantee absolute security in all fields. This presumes large investments in order to have the most perfect possible system of justice and taxes with the best means. We must assure criminals that they will be tried immediately and that they will suffer the consequences of the crime, without having to wait years.

Finally (I am no puritan, although they must have misunderstood my phrase with a certain sense of humor), a society that does not respect morals, general principles of coexistence, that does not protect the family, that prevents parents from being able to take their children to school, in which one can choose the type of television we want, and so on, is what those in power now defend, which is the exact opposite of what we are offering.

11,464

CSO: 3548/344

SODEP'S INONU BLASTS 'ANARCHIC' OZAL GOVERNMENT

Istanbul CUMHURIYET in Turkish 17 Sep 84 pp 1,8

[Text] Izmir--During a press conference yesterday, SODEP [Social Democracy Party] leader Erdal Inonu said: "There is a virtual rule of anarchy in the government." Charging that "democracy has still not gained full functionality," Inonu reiterated that his party is a serious alternative to the present government. In a speech at a tea garden in the Izmir Fair, Inonu said: "There are certain indications that [early] elections may be held. There is a desire to get rid of a government that cannot fulfill its promises. It is not right to resort to arrangements aimed at becoming government quickly." Inonu added that the ruling party may lose its majority in the Assembly.

At a press conference held at SODEP's provincial headquarters in Izmir, Inonu said that he organized his Aegean tour in order to see for himself the successes of SODEP mayors. Inonu also talked about the resolution passed by the U.S. House of Representatives and the Senate in connection with the "so-called Armenian genocide." Inonu said:

"Beside dealing a heavy blow to Turkish-American relations, this resolution constitutes a very serious threat to our national integrity. SODEP strongly deplores these resolutions, and we hope that the President of the United States will veto and thus invalidate them. If these resolutions, which have been passed imprudently at election time for domestic political purposes, cannot be halted before they proceed any further, our relations can break down completely."

Airing his views on domestic politics, Inonu said that he wants "to focus on examples of irresponsibility and ins seriousness displayed lately by the government" and continued:

"I pointed out the arbitrary actions of the Ozal government during the local election campaign. The stage that has been reached today exceeds all expectations. There is a virtual rule of anarchy in the government. This situation could perhaps be rectified if the Council of Ministers could meet once in a while. Ministers debate each other for days in the press. One minister is openly critical of another's stance. The same day, the Official Gazette reports that a person for whom a court arrest warrant has been issued has been appointed to a senior position in a ministry. The most shining example of these irresponsible acts was given by the Minister of National

Education, Youth and Sports on state television. The minister disclosed that he is asking for the resignation of sports federation presidents and that he is going to replace them with Assembly deputies. The next day, everyone in the government and the opposition as well as everyone related to sports stated that this 'ingenious' idea did not make sense. Beside violating the Constitution, this proposal encompasses the crucial mistake of mixing politics in sports. In response to this reaction, the minister said, according to his press statement: 'Naturally I will withdraw my proposal if it violates the Constitution.' But in the meanwhile the sports federation presidents resigned from their positions. Now what will happen? Now that the grounds for the resignation has been removed, will they return to their positions? Who would have faith in the seriousness of the proposals and the correctness of the decisions of a minister who defends on television a proposal which he later admits is unconstitutional and who appears on television again with the sports federation presidents whom he forced to resign on the basis of that proposal? A minister who acts so irresponsibly cannot continue serving in a government which pays proper attention to the seriousness of the administration of the state. He should have resigned immediately."

Noting that the Ozal government, which took office after the 6 November elections, "has not made any progress in either social issues or in the process of transition to full democracy," Inonu gave the following examples to back his charge that democracy is not functioning fully in Turkey:

"We believe that after the Grand National Assembly Chairmanship Council was formed and the Constitution went fully into effect following the 6 November elections, the government should have worked to make the democratic system function with its full set of institutions and rules. As a result of the MP [Motherland Party] government's failure to pay proper attention to this issue, today, after two elections, we are still saying that democracy is not fully functional. Let me give some examples that come to mind immediately:

"Restrictions continue on the press in connection with the reporting of current political events. Acts that violate freedom of thought are still prevalent. Some trials in connection with the influence of labor unions and associations in the pre-12 September 1980 period are still under way. No efforts are made to restore the constitutionally required academic independence of the universities. Unions are impeded from implementing the collective bargaining system as set out by the laws. Nothing is done to rectify the condition of those who were dismissed from their jobs by Law No. 1402. The time has come to change these attitudes. The government must realize its responsibilities on these issues."

Inonu added: "SODEP believes that economic and social issues must be tackled in conjunction with responsibilities in the area of democracy. This is our sharpest difference with the MP administration. In other words, we are a serious alternative to the present government."

Inonu later had an informal chat with citizens in a coffeeshop in the Emek quarter of Karsiyaka. Recalling that MP candidates promised during the election campaign to grant title deeds for shanties, Inonu asked: "Did anyone get any title deeds?" In response, the citizens were heard to reply: "Bulldozers came, not title deeds"; "They won with money"; "The won with T-shirts"; "Sworn offices are robbing us."

Inonu later went to the Izmir Fair with party functionaries who were waiting for him at the Lausanne gate. In a speech at a tea garden in the fair, Inonu referred to early elections and said: "Early elections may be held in a year or two." Inonu expressed the following views in connection with elections:

"We do not know whether we would do better and win more votes if an election were held today. This is what we are trying to find out in this tour. This is not a campaign tour, but there are certain indications that [early] elections may be held. When journalists asked me about early elections after the last elections, I said 'it is unlikely' because MP had won by a big margin. But in the 6 months since then they have not been able to fulfill their promises. All these created a new desire amongst our people: the desire to get rid of the present government. We shall see how strong this desire is. We should not expect to become government soon. It is not right to resort to arrangements aimed at becoming government quickly. The ruling party may lose its majority in the Assembly. That may give rise to new quests. Early elections may be on the agenda in one or two years. The MP government's mandate may be cut short."

Inonu later went to the Republican Book Club booth in the fair and became a member of the club. He said that this is a very good movement, and he examined the books on display. Inonu bought Latife Tekin's "Dear Shameless Death" and Adalet Agaoglu's "The Fine Rose of My Mind." Meanwhile, a reader at the book club had Inonu autograph a copy of Abdi Ipekci's "Inonu on Ataturk." When another reader suggested that an autograph day be assigned to Inonu, the SODEP leader replied: "First I must produce good works."

Inonu next went to Urla to attend a dinner given by the town's SODEP mayor. Today, Inonu will visit Kemalpaşa, Armutlu, Tire, Torbalı and Odemis.

9588

CSO: 3554/2

PP CANKAYA CONGRESS TAKES AIM AT OZAL; CALP, GURKAN

Istanbul CUMHURİYET in Turkish 17 Sep 84 p 6

[Text] Ankara--At the Populist Party's [PP] Cankaya district congress, the first in Ankara preceding the party's general congress, party leader Necdet Calp and party leadership candidates Professor Aydin Gurkan and Mustafa Kemal Palaoglu took the first test of their candidacies by delivering sharp speeches. Charging that the Ozal government is relying on martial law, Calp said: "If the government does not pay attention to our warnings, it will have a disappointing end."

PP leader Calp rose to the podium after a short speech by the party's district leader and said that the convening of the general congress will be a great success for the party and that, as a result, the administration of the party will grow stronger and become more democratic. Calp, whose speech was frequently interrupted by applause, spent a major amount of time criticizing the MP [Motherland Party] government. Insisting that the MP's failures make the PP the hope of the people, Calp said: "Soon, new phases and new developments will come about." Noting that the cost of living has assumed intolerable proportions and that his party will oppose every decision taken to the disadvantage of the workers, Calp also criticized the Turkish Radio and Television Corporation.

Stating that Turkey has to complete its democratization process very soon, Calp charged that the MP government is not inclined to do that and that it is relying on martial law. The PP leader said: "For nearly 6 years now, Turkey has been governed by martial law. Martial law is an emergency measure. If it persists, both the army and the people will be severely hurt. Democratization cannot proceed under martial law."

Calp concluded by saying: "Ozal must come to his senses. If they do not listen to us and heed our warnings, we are afraid that they will have a disappointing end. The PP has become the only alternative to the present government. With this sense of consciousness and responsibility, I would like to reemphasize the need for the unification of sincere social democrats."

Speaking after Calp, PP Secretary General Aydin Guven Gurkan focused largely on the government and began his speech by saying: "I am deeply concerned about Turkey's present condition."

Gurkan continued:

"It has become clear that the MP cannot continue to remain in power. But the problem is not the changing of the government. The problem is that an environment to insure that a change of government is realized through democratic means does not exist."

Charging that this government is the enemy of the farmers, a friend of the monopolies and opposes workers, Gurkan said that the government is trying to turn the country into a cheap labor haven for foreign capital and that, to do that, it assaulting workers' rights. Gurkan continued:

"In order to remain in power, rightist governments are forced to step over the bounds of democracy, to paralyze democracy and to resort to the exploitation of nationalism and religion. They have to become militants. They are forced to do these in order to put to sleep the working sector, whose enemy they are."

Sivas deputy Mustafa Kemal Palaoglu, one of the candidates for party leadership, sharply criticized the PP's opposition strategy in his speech and insisted that Calp and Gurkan are parts of the same whole.

Criticizing both Calp and Gurkan, Palaoglu attacked Calp's "opposition of expediency" and said: "The idea that opposition can exist as the conditions permit is a choice of policy. I am against such a policy. The making of conditions is not beyond our control. A populist opposition is, in essence, opposition against existing conditions. A movement that cannot realize this cannot offer opposition, let alone populism. Are we going to wait for conditions to change or are we going to wait for TUSIAD [Turkish Industrialists' and Businessmen's Association] in order to fight for labor, workers and the improvement of the worker's living standards?"

Noting that politics is no longer made in the Assembly and that it is rapidly moving to the outside, Palaoglu labeled the candidacy of the party secretary general for party leadership as a "grave situation."

Large portraits of Ataturk and [Ismet] Inonu were hung at the congress, which began after Calp arrived an hour late. Large placards featuring Ataturk's phrase "Freedom is my character" and Ismet Inonu's phrase "No one has the power to halt the development of human rights in Turkey and to change the course of history" were also prominently displayed in the congress hall.

Emin Sarikaya was reelected as the party's district leader. He was the only candidate for the post. Ali Cakmak, Arif Yaniktepe, Hasan Topalak, Hasan Gorgulu, Cuma Toy, Halil Kilicarslan, Halil Aluc and Fikret Baydar were elected to the party's administrative council.

MILITARY

CYPRUS

LEFKONIKO AIRPORT REPORTEDLY NEAR COMPLETION

NC040925 Nicosia I ELEVTHEROTIPIA in Greek 4 Oct 84 pp 1, 3

[Text] The giant military airport that is being constructed in the occupied town of Lefkoniko is currently on the eve of its completion. Already the airport's runway of about 2 kms, on which all types and sizes of military and nonmilitary planes will be able to land, and the buildings including the control tower are in the final stages of completion.

Specifically the last layer of the premix is now being laid on the runway while at the current stage various outstanding minor jobs--as is the case in all construction jobs--are being carried out.

However, simultaneous with these jobs--which it should be noted are being done by Turkish workers and artisans--machinery and equipment for the airport has begun arriving recently. According to well-informed sources the machinery is coming from Turkey via the occupied Famagusta port.

The equipment is packed inside large closed crates which after being unloaded from the ships are loaded on "trailers" by cranes and carried to a big depot in the airport under construction.

It should be noted that during their transport to Lefkoniko from Famagusta the crates with the equipment are accompanied by Attila's patrols. In addition, armed Turkish guards have been placed outside the huge depot inside which the airport's equipment is being stored.

Given these facts--as our authoritative sources mention--the completion of the Lefkoniko airport is a matter of a few weeks. The entire cost of the project is expected to exceed \$500 million.

As is well known, British journalist Christofer Hitchens wrote in a recent article connected with the entire issue that the airport which is being constructed in Lefkoniko will belong to the Americans and is slated to be used by the rapid deployment force of the United States and its NATO allies.

CSO: 3521/20

DEFENSE MINISTER REJECTS KRISTENSEN APPEAL, CLOSES CASE

Copenhagen BERLINGSKE TIDENDE in Danish 28 Sep 84 p 6

[Text] Having the final decision in the matter, Defense Minister Hans Engell now rejects the contention that, in the spring of 1982, a rumor and smear campaign was going on within the supreme Danish military circles, preventing Col. G. K. Kristensen from having his position as chief of the Danish Defense Staff prolonged.

G. K. Kristensen did not have his position extended on 1 May of last year, and the colonel subsequently lodged a complaint with the minister to have the reasons for it uncovered. He claimed that a campaign against his person had been carried on--and that officers of the General Staff and of admiral's rank had attempted to influence members of the Folketing to have him removed from the post of Defense Staff chief.

The defense minister finds this unsubstantiated. However, like previous military instances of prosecution, he finds that it was wrong for Vice Admiral S.E. Thiede (who, subsequently, replaced Kristensen as Defense Staff chief) to state in a private conversation with a reporter that "no Danish officer since World War II has done as much harm to the Armed Forces as the former Defense Staff chief." A remark which S.E. Thiede has, subsequently, deplored.

Hans Engell, on the whole, bases his decision on the conclusions reached on the basis of previous investigations, viz. that Vice Admiral Thiede did not request an editor-in-chief of JYLLANDSPOSTEN to carry on a smear campaign against the colonel--and that no attempts were made on the part of high-ranking military personnel to influence politicians to put an end to G.K. Kristensen's career.

In his decision on the complaint lodged by the former Defense Staff chief, the minister of defense states that "the ministry will not pursue its investigation further into the grievances in question."

7262

CSO: 3613/4

NEW ARMED FORCES COMMANDER O.K. LIND COMPLAINS OF FUNDS LACK

Copenhagen BERLINGSKE TIDENDE in Danish 28 Sep 84 p 10

[Text] "As a result of the most recent defense agreement, the Danish Armed Forces will still have to live with a number of shortcomings which will make, for example, the Naval Defense ships hopelessly obsolete unless a new construction program is started soon."

The above statement was made by future Defense Chief, Lieutenant-General O.K. Lind, last Thursday at a press meeting in connection with his departure from the post of chief of the NATO Unitary Command to succeed Knud Jørgensen as defense chief.

"An amount of 11.4 billion kroner for the defense budget is a lot of money, and even if we have wishes which were not met this time, we shall certainly be in a position to accomplish things which we shall not be ashamed of, so that the self-respect of the Danish Armed Forces may be maintained. However, it certainly was a disappointment that the budget did not become any bigger so that we could have made up for some of the shortcomings we have been laboring under for many years," said O.K. Lind.

He gave expression to his disappointment that it has not been possible, for example, to purchase new submarines and helicopters, and he hoped that, in the next round of defense budget negotiations, the Armed Forces would manage to convince the politicians of the need to remedy some of the shortcomings. On the lack of materiel of the Army, O.K. Lind said, among other things, that the forces in Sjælland [Zealand] use Centurion tanks, which first appeared during the Korean War 32 years ago.

"It is, of course, always nice to have Allied guests who get tears in their eyes when they see a tank which they themselves worked with when they were 18 years old and which is still driving around in Denmark. However, it has given us such high maintenance costs that any civilian firm would have considered the vehicles entirely unprofitable," said O.K. Lind.

On the relations between East and West, the new defense chief said that the West will not be allowed to continue to exist without a strong and solidary support behind the NATO alliance.

"As far as I can see it, this situation will continue to exist until the Soviet Union realizes the necessity of opening up its society so that that closed, totalitarian society, one day, will recognize the need to accept human rights. If that day comes, a confidence may be developed which will make it possible to carry through an actual relaxation."

The future defense chief sees no alternative to NATO and no alternative in the peace movements.

"They are, apparently, based on emotions and fear. A security policy cannot be pursued entirely on the basis of emotions and without any intellectual involvement," said O.K. Lind, who is nearly 64 years old and who, on account of the retirement regulations of the Armed Forces, will remain in his top position for 14 months only.

7262

CSO: 3613/4

MANY BELIEVE CIVILIAN SHARING HOME GUARD LEADERSHIP UNNECESSARY

Copenhagen BERLINGSKE TIDENDE in Danish 22 Sep 84 p 10

[Article by Jorgen Davidsen]

[Text] Poul Sogaard's successor as Home Guard commissioner is due to be named, but many believe the post of political commissioner of Denmark's biggest national movement has long been superfluous.

Denmark's biggest national movement, the Home Guard, will be getting a new commissioner and that means a new national or civilian leader. Some say a new "political commissioner." This is a job appointment in a solid civil service class and it will probably be made without any fuss.

Home Guard commissioner and former Defense Minister Poul Sogaard, who is now leaving the post, is the third Social Democratic politician to have the job since the Home Guard was set up almost 40 years ago. The first was Frode Jakobsen and then Sogaard had the job but took a leave of absence in 1977 when Anker Jorgensen wanted him to serve as defense minister.

While he was minister party colleague Knud Damgaard acted as commissioner and it was in that period that a proposal was made to abolish the post, but current Defense Minister Hans Engell (Conservative) does not think this is a good idea. He thinks the division between a civilian and a military leader has worked very well. The division stresses the identity of the Home Guard as a "national grass-roots movement" and Engell adds that the post does not necessarily have to be held by a politician.

The present defense minister also praised Sogaard as a man who has done an excellent job of separating his political work from the Home Guard job. The 61-year-old Poul Sogaard cited work pressures as his reason for resigning, since he is also a member of Folketing.

Superfluous

The various laws concerning the Home Guard leadership since 1948 have described the commissioner's job somewhat differently. One critic of the

post, senior archivist H. C. Bjerg of the National Archives, has pointed out that 1952 saw the "introduction of the increasingly cryptic or empty phrases in justification of the existence of the commissioner." Military historian Bjerg says that as early as around 1950 the commissioner had become "superfluous as the intended political control element in the Home Guard, which had quite clearly developed into an institution that was a reflection of all aspects of Danish democracy and its political groups."

Law Outdated

H. C. Bjerg charges that the position of civilian commissioner alongside the military commander was only set up in 1948 "because of the Social Democrats' well-founded fear of communist moves in this country along with a certain distrust of the officers, a leftover from the resistance struggle, as well as a chance circumstance, namely the attempt to tempt Frode Jakobsen away from active politics."

H. C. Bjerg and others, especially officers, have in the course of time pointed out that since the commissioner's post was established by law, it was necessary when the law became outdated to give varying explanations for the existence of the commissioner so that the position could be maintained.

It was not until 1973 that the commissioner's tasks were first described in detail in a law. It was stated that "the commissioner is the head of the work to get recruits for the Home Guard and of the work of the people within the organization and he should strive for a good relationship between the people and the Home Guard."

6578

CSO: 3613/1

BRIEFS

SAS PLANES FOR NATO IN CRISIS--In cases of crisis or war, Denmark may make two large SAS aircraft available for passenger transport should NATO want reinforcements flown to the country quickly. The above information was provided by Minister of the Interior Britta Schall Holberg (Liberal) in a reply to Jens Thoft (Socialist People's Party), who, at the same time, received a 'no' in reply to his question whether negotiations had been carried on with neutral Sweden on this matter. The two large aircraft in question are equivalent to the aircraft included in the SAS aircraft fleet registered in Denmark under the name of DDL, the Danish Airlines. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 27 Sep 84 p 2] 7262

CSO: 3613/4

BUDGET, COST-EFFECTIVENESS PROBLEMS IN ARMAMENTS INDUSTRY

Bonn WEHRTECHNIK in German Aug 84 pp 14-23

[Article by Wolfgang Ruppelt: "Armaments and Cost-Effectiveness"]

[Text] At the 56th Working Session of the German Defense Technology Association, the head of the Defense Economy Division of the Federal Ministry of Defense, Department Director Wolfgang Ruppelt, stated his position on the current armament issues. He described the framework conditions of the present armament activities in detail--whereby cost limitation is the principal task for the future. Since the Bundeswehr planning forms the basis for the development and procurement of defense materiel, the future utilization of capacity for the defense industry can also be derived from it. In certain areas some in part painful adjustment processes will become necessary. But there will be some streamlining of duties and structural improvement in the defense sector as well.

According to the program, my subject is called "Armaments and Cost-Effectiveness." But unfortunately armaments and cost-effectiveness do not make such a good pair of concepts. Yes, it seems to me that they go together like oil and water. Anyway, in a business-economic sense they do not agree very well with one another. Nevertheless, we speak of this and refer to our objective: To make available at the lowest possible cost a maximum of deterrent quality in sufficient quantity to the armed forces. In this context "cost" by no means refers only to money, but encompasses numerous aspects from the buildup and operating organization to planning, from the rules of the game between the official and industrial sides to international arms cooperation, from the availability of efficient industrial capacity to the financial and manpower resources. The selection will show that it depends on many magnitudes of influence--the art consists of balancing them optimally in each individual case--whether we will fall short of our goal or reach it in a more or less satisfactory manner.

Basis: The Bundeswehr Planning

The most cost-effective solution possible to the task called "meeting the equipment need of the Armed Forces" must be based on the Bundeswehr planning.

Not the other way around: The Bundeswehr must plan what equipment is held to be good and offered by the defense technology and the armament industry. This principle is in fact--surprisingly enough--sometimes forgotten even today, perhaps in imitation of our foreign examples.

Each concrete step in research and to develop future technology, in the conception, development and supply of certain defense materiel, can be measured by whether it can be derived from a valid document of Bundeswehr planning--whether it involves objective planning or implementation planning--meaning whether it "conforms to plan." If that is the case, we can actually take a step on firm ground; otherwise we would like walking off a cliff.

Many Different Framework Conditions

The Bundeswehr is presently acquiring a new generation of weapons at a cost of over DM 60 billion. The systems are essentially being delivered in the 1980's. These weapons systems make the Bundeswehr a well equipped army, second to none.

Only Limited Compensation for Cost Increases

These procurements will still require a large part of our financial means in the coming years. Cost increases will only be compensated for in a very limited way. It will scarcely be possible to achieve any real rates of increase.

Consolidation of the Public Funds

We are in the midst of a phase of unsatisfactory economic growth. At the same time the public funds must be consolidated. This means a levelling off in the growth of the federal budget and cutbacks in state spending on the most varied levels. Simultaneously, social security must remain assured and unemployment must be reduced. Our tasks are growing in areas such as the Third World and environmental protection, in order to mention only two national obligations with which defense competes for funds. In the past the defense share of the national budget has clearly dropped.

Jumps in Cost from One Weapons Generation to the Next

This knowledge unfortunately does not change the fact that conventional armament is costly. The jumps in cost from one weapons generation to the next can amount to factors of seven or eight. The increases depend significantly on accelerating developments in the technology and capability of the individual systems. It is unrealistic to believe that the financial means could be increased at the same rate as the costs of new weapons are growing.

This is in broad outline the environment, in which the defense sector must conduct its discussion about meeting the future equipment needs of the armed forces.

Wanted: Optimal Mix of Different Weapon Systems

In this context it is entirely clear that economy measures and cost-effectiveness alone do not provide the solution, no matter how important these aspects may seem. The amount of funds which will become available has become a decisive criterion for the design of defense materiel. The sequence of priorities, according to which the delivery systems are ranged, cannot remain fixed. The starting point is the analysis of the targets to be fought; the cost relationship of "weapons deployment versus target" must be optimized. The highest quality and new technology are invested with top priority in the immediate weapons effect.

Technological areas are characterized by the following key expressions:

- Imaging infrared detectors
- Millimeter radiometry
- Microprocessors
- Multiple sensor systems
- Precision navigation
- Real-time jamming-resistant data transmission
- Scatterable ammunition and submunitions.

It will be necessary to succeed in keeping the cost of new systems within the framework of comparable existing munitions.

To the delivery systems, for which the question of sufficient quantity is also becoming increasingly important and which can no longer arbitrarily be replaced by quality, this means: The proper relationship, from the aspect of overall tactical effectiveness must be found. What is sought is the optimum blend of different systems.

To this end, first, existing delivery systems are maintained in a deterrent configuration, and thus can stay in service longer, by the use of measures to increase their combat effectiveness.

Second, through specific technical measures the present systems are being made capable of undertaking other, possibly new, missions, which have not been accomplished up to now.

Third, in the conception of unavoidable new developments the possibility of later improvements is taken into account from the outset.

And finally, fourth, the technical capability for accomplishing the mission is increasingly being installed in the special operational equipment itself.

Deviation From Follow-on

Part of this is also the much-implored deviation from the so-called follow-on concept--in which each system has a successor, only more effective and more expensive.

Of course, I cannot imagine that an inspector could do without the main weapons system that determines his service branch, but below that threshold there is much room for imaginative ideas and technical inventiveness.

We simply must no longer think in terms of weapon systems, but in the perception of functions and primarily on a level above the individual services. I am sure that the inspector general will know how to use the authority given him in this area.

Perfection Costs Money

We will also have to offer the Armed Forces "second-best solutions," not only verbally, but in actual fact. The "available means" factor will force us to do so. Perfection costs money. The last few percent of increased efficiency require disproportionately high financial expenditures. We can no longer afford this.

No one wants to go back to bows and arrows. But it is questionable whether everything that is technically feasible is also, when applying exacting standards, truly necessary. It is not absolutely necessary to finance what can be done; the Armed Forces are sometimes better served by doing what can be financed.

Task for the Future: Cost Limitation

Here we face a task, on the solution of which much depends in the future: cost limitation, cost restraint.

Economical and efficient use of budget means is already mandated by law. The law requires that all possibilities of cost restraint be exhausted, including and above all in the development and procurement of defense material.

Throughout the entire process of development, each individual decision must be aimed at producing the most favorable relation between the desired achievement and the costs. The means to be spent must be limited to the amount absolutely necessary for fulfilling the task. Guidelines for keeping the costs down have been approved.

The Reasons for the Cost Increases

An analysis of the causes of the cost increases, conducted on a relatively narrow basis of national and international projects by the Federal Office for Defense Technology and Procurement, makes some interesting references to places where cost-restraining measures must be applied in concrete terms.

Apart from inflationary effects or altered currency exchange rates, which are always at work outside our sphere of influence, the following significant blocks of reason were involved:

--Altered military requirements with respect to tactical needs, and technical changes with respect to the definition in nearly 60% of all cases,

--Inaccuracies in the cost estimates of previous phases in 22 % of all cases.

Both sets of reasons are susceptible to influence. They are the targets of our guidelines for cost restraint. Interference in current projects must be limited to unavoidable cases. The obligation to state the subsequent costs will be open to the full range of such interventions. We anticipate that the guidelines will lead to an actual narrowing of the margins for cost increases. The development of reliable cost estimate models remains a priority task.

Superfluous Parallel Developments Despite Cooperation

With a given amount of funding, on the industrial side only those will be able to remain who can offer the optimum of technological capability, also known as mission fulfillment. In principle, German defense technology can master the demands of the Armed Forces. It is a sought-after cooperation partner internationally. The competition is made more tolerable through the cooperation in armaments. On the official level, and in particular on the industrial side, this cooperation must continue in the future as well, although it is not always capable of producing the desired cost reductions.

Efforts must continue via the cooperation in armaments to avoid unnecessary parallel work--despite the extremely modest results so far.

The cooperative effort in arms procurement during the last 20 years throughout the alliance have not been successful, insofar as in general they consumed more resources than would have been needed for direct purchases from a producer. This is a matter of the basic problem: Actually and militarily superfluous parallel developments swallow money and drive the price of individual items even higher.

Just a few examples: In NATO

--11 companies in 7 countries work on anti-tank weapons

--18 companies in 7 countries work on ground-to-air missiles

--16 companies in 7 countries work on air-to-ground missiles

--10 companies in 7 countries work on ship-to-ship missiles.

I doubt that this is really necessary: Every industrial nation is doing nearly everything in almost every field. Here there are still large reserves for rationalization that have not been anywhere near exhausted, which must be made useful for all by way of the defense cooperation in the alliance.

Sixty Percent of R & D Means for Cooperation Projects

Arms cooperation is a necessity from the aspect of industrial policy as well. The FRG cannot be self-sufficient in defense technology. Division of labor and specialization are necessary. For a long time we have been very open to all kinds of cooperation. Several successful cooperative programs have taken shape precisely around a German requirement. In terms of size, even today we invest about 60 percent of our research and development funds in cooperative projects, and this tendency is increasing.

On the other hand, we must not overlook that arms cooperation is connected with solid economic interests: Technological gain and competitive ability, jobs and reduction of the burden on the foreign exchange balance. In times of economic difficulty protectionist undercurrents grow, with which it is necessary to come to terms politically.

Arms cooperation can therefore be conducted successfully only when all the partners involved are prepared to accept the vital economic interests of each other. One simply cannot expect that nations which already struggle with economic difficulties should make greater economic sacrifices in favor of cooperation and standardization. On the other hand, one must avoid developing and procuring arms through mere addition of all national interests, which negate all the cost advantages anticipated through the cooperation.

Pros and Cons Must not Be Allotted to One Side

In sum, the pros and cons of a cooperation must not be allotted to one party. Effort must be made to balance the advantages; each participant should be able to profit from the cooperation for his own interests as well. The matter must come out even "at the bottom line." In this respect the strict concentration on meeting concrete demands by the Armed Forces is a German specialty. To our partners this point of view is only one of many and not necessarily the most important. Now, as before, arms cooperation in the sense of joint developments is primarily a matter for the European alliance partners. In comparison with the United States, it will continue to be important that each side should try to incorporate successful developments by the other side.

Defense Technology Research

Defense technology is in a state of constant dynamic development. However, technological breakthroughs, which unilaterally change the competitive ability in a revolutionary way, are not anticipated. It is the sum of the evolutionary progress which could revolutionize the military possibilities in the future. Major and continual efforts are needed so that this development does not lead to advantages for the other side.

With limited financial resources careful tests must be undertaken to determine what technological areas are to be invested in with the greatest prospects for success for future applications. In this area the Bundeswehr planning, in particular the objective planning, also plays a decisively important role in

the sense of the already mentioned "firm ground" of defense-technological work.

The Armaments Division has always made great efforts to make its programs dealing with defense technology research and the opening up of future technology through studies, component and experimental development, visible and realizable on this firm ground.

To this end several promising attempts were made in the past. They failed, partly because the proposed organizational and procedural rules did not function, partly because the correct approaches to solutions could not be implemented. Nonetheless, the problem must be solved.

It cannot be tolerated that in this area the intuition of many individual experts, the sum of which is therefore necessarily unsystematic and thus tends toward mistakes, should reign or--what is even worse--in times of scarce funding basically hard-working program planners make the matter suitable by means of priority decision with the funding whip.

Research and Technology Concept

I do not maintain that the result of this should necessarily be wrong, but it cannot be satisfactory and implemented at all times. Since we do not allow ourselves to become disheartened, we have risked a new attempt. Principles and decision mechanisms for a research and technology concept have been developed, and the rules of the game have been implemented for a test run. I emphasize the concept "test run," because it is to show, among other things, whether and how simplifications are urgent and feasible in the next to "uneconomical" seeming bureaucratic expenditure. (The new research and technology concept of the Federal Ministry of Defense is represented in detail on page 74 of this issue.)

Interest in Proven Components and Experimental Developments

In the field of research and component development, the points of emphasis will have to change with regard to content. Our supply of off-the-shelf components, the use of which can be contemplated in new systems without great risk, is too low. This shifting of emphasis will only be possible if our industrial partners are prepared to contribute toward this.

The armament field is less interested in the results of industrious studies than in proven components and experimental developments, which can be installed in new weapon systems or used to upgrade the combat effectiveness of existing equipment without any risks, or at least with clearly predictable ones.

Self-Financed Contributions

Financial participation by industry in defense-technological tasks, in particular in the initial phase, in conception and definition, is nothing new

at all. In the past as well as at the present time the industry has participated in numerous projects with considerable work for its own account.

Only after it began to be discussed did the subject turn into a problem.

While we try to mitigate the problems arising from the scarce funds, the industry would not like to have a turnaround to its disadvantage in the trend and if possible would like to reduce its own expenditures. A clear situation of interests. Neither side can force the other to become involved or to give up the demand for involvement.

The question of whether or not to participate and to what extent will be decided according to the interest situation in each individual case. The more or less strong pressure of competition and the presence of several alternatives for solution will be significant.

The industry will be prepared to make its own contributions if sufficient business opportunities open up, at least over a long term, whether through sales to the Bundeswehr or from civilian marketing or potential marketing in outside markets.

The more limited the business marketing opportunities for defense technological developments, the lower the preparedness for financial involvement. Anything else would also not be justifiable from a business aspect. The marketability will be evaluated in a more differentiated manner in particular cases, when the would-be buyer, the Bundeswehr, has several suppliers available--and they do not just have to be domestic.

The arguments of the industry are also not always successful and sometimes change according to the objective pursued. For example, when it is a matter of obtaining large appropriations for research and development in the federal budget, the domestic economic spin-off effects from the defense industry for civilian applications are described in the most beautiful colors, which totally pale, however, when because of these effects, among others, demands for self-financed contributions are put to the defense technology.

Overall, it is not surprising that general discussion of the subject with the industry so far has produced little progress, but on the other hand satisfactory solutions were found in individual, concrete instances. In the future we will therefore approach the subject less in general and theoretical terms than in more practical ways, when there is a chance of more concrete individual cases.

After 25 years of successful defense technology, it should no longer be necessary, in order to give an example, for the state to pay for industrial studies through direct orders. I mean, over the medium or long term the industry will increasingly have to do its own work to make it competitive, that is to say an efficient partner of the Bundeswehr.

Adjustment Processes in the Armament Industry

The FRG possesses a solid basis of defense technology and armament industry, from which it can attack the tasks of the future. Adjustment processes--psychological and practical--will still be needed, however. That is part of the nature of armament.

To be sure, the tasks of defense technology and the arms industry reach a level which remains approximately the same from year to year--without major real jumps downward or upward. On the other hand, within the overall spending there is not continuous investment in all armament sectors.

With respect to individual branches or individual projects or even certain factory premises there are, for each investment priority, employment or capacity fluctuations, the costs of which must be borne by both sides.

Armament planning and allocation policy are capable only in a very limited way of moderating peaks and valleys in a balanced fashion.

It is also not the direct duty of the Defense Ministry to worry about the utilization of industrial capacity. But it is in the interest of the ministry to have a its own domestic arms capability available and to keep it at a high level of performance. In this connection armament planning also has a "defense-industrial" orientation.

However, the opportunities to shape the nature and supply of the arms needs of the Bundeswehr are equally limited. A change of generation cannot be put off at will; spreading out the supply runs into limitations where the number of units becomes uneconomical.

It is part of the industrial responsibility to draw the necessary consequences from the armament planning. The Defense Ministry will be able to help within the described, limited, framework by means of ordering control and providing timely and sufficient information about defense planning.

But this will remain an area of genuine concern for the capacities of defense technology and defense industry, which are unavoidable in the long run.

We once studied the effects of the current Bundeswehr planning on utilization of production capacity in selected sectors.

In this respect we studied the employment effect of large projects, which make up more than 80 percent of the planned procurement volume and concern the most important domestic industrial sectors.

The effects of procurement planning on the employment situation of the individual sectors of industry which were studied look very different.

Electronics: Growing

The proportion of electronics in modern weapon systems is today 40 percent. This will increase as the procured weapons systems are completed with peripheral equipment, as well as by continued technical development, and by 1988 it will, according to calculations, have caused approximately a 20-percent growth in work volume in the industry's defense sector.

Weapons and Ammunition: Strong Growth

A favorable business development is foreseeable in the weapons and ammunition industry as well. This reflects not only major projects, but also increasing procurement of missiles and in particular ammunition. The employment volume in the study will grow by about 50 percent up to 1988.

Shipbuilding: Varying

The order volume of major Bundeswehr projects for the shipbuilding industry will continue to drop from a low level until 1988. In particular the large shipyards are affected by this.

To be sure, ship construction plans provide for slightly higher funding rates up to 1991. But it must be borne in mind that the share of the orders for warships which stays directly at the shipyards is today below 40 percent; the majority benefits the equipment industry. If one also knows that shipyard output precedes in time, it is possible even today to read from the present plans an additional employment slump during 1985 for the shipyard industry.

Various new projects are pending after 1986. Admittedly: With a share of 5 percent previously and 10 percent today, defense orders from the Bundeswehr cannot solve the problems of the shipyard industry. But with a continuing drop in civilian orders, Navy orders could have the effect of being some kind of basic utilization of capacity.

Tanks: Strong Decline

For the tank industry the remaining business volume will drop by about 40 percent from 1984 to 1988. This is essentially the result of the completion of the LEOPARD 2 production after 1986. New projects in the area of artillery and combat effectiveness upgrading of armored vehicles will not begin until after 1986/87 and are not sufficient to compensate for the slump.

Based on our long-term planning, the tank industry will presumably stay at the low level of employment reached in 1988. Not until after 1997 are there plans for a new battle tank, which, in combination with the armored vehicles of the 1990's, under certain circumstances will again lead to higher employment.

Air and Space: Strongly Declining

Over an intermediate period the development in the air and space industry will continue in a manner similar to the tank industry. Without the avionics

components, to which the electronics industry belongs, the employment-generating orders will drop by about 30 percent by 1988. The development is measurably influenced by the completion of current aircraft and helicopter production. To this should be added that the volume of repairs has diminished due to improved reliability and ease of maintenance of the flight equipment.

In the extended planning period, utilization of the capacity of the aircraft industry through Bundeswehr orders will continue to drop until 1990 and grow again after 1992--if production of the Fighter 90 in Germany were to become a reality. But already it is possible to recognize that even at that time today's employment level based on military demand cannot be fully maintained.

In addition to consideration of the doubtless critical sectoral and regional employment effects, we have pursued the question of what minimum capacity is necessary in order to be able to maintain the technical standard of a branch of industry essential to defense technology for a long time.

Falling Below the Minimum Capacity Limit in the Aircraft and Tank Industries

From this aspect we have, in addition to shipbuilding, whose share fluctuates between 5 and 10 percent and whose difficulties are not caused by Bundeswehr planning, two problem children: the aircraft and tank industries.

Now, employment fluctuations in the industry, particularly in the defense industry, is something quite normal that must be tolerated.

What causes concern here, however, is the [extent] and duration of the hiatus, and, to be more precise, that it falls below the minimum capacity level necessary to maintain the technological performance standard, and above all the systems capability. In falling below this critical limit the danger occurs that teams of specialists break up as a group and are lost and at a later time, when they are needed again, can only be rebuilt with considerable expenditures of time and money and with loss of performance.

Our preliminary assessments show that the aircraft and tank sectors could fall below the critical level in the second half of the 1980's. Even when it can be assumed that the industry has set the critical line as high as possible for obvious reasons, this set of problems has become very clear to us.

Unfortunately, we do not have a prescription for mastering the situation exclusively with instruments available to us. Since planning alternatives would have to take effect beginning with 1986, changes in planning because of planned elimination of the budget appropriations through already running or initiated projects are out of the question.

For that reason I cannot announce any consolation, such as additional production of TORNADO's and/or LEOPARD 2's. But that does not mean that we are not aware of the problems. We are looking for solutions. Every contribution toward a solution, if there is one, must start with a Bundeswehr need and its ability to be included in the Bundeswehr plan.

Streamlining Tasks and Structural Improvements in the Defense Area

When we speak of necessary adjustment processes, we do not mean only those of others. We ourselves must consider whether in the future we will be able to cope with our tasks in the existing organization and with the methods applicable today. The answer is: hardly. It is necessary to streamline tasks and make structural improvements.

With the limited budget possibilities we have to improve and streamline the perception of tasks in the defense area in order to concentrate the present powers and means to what is essential.

The rationalization gains to be realized from this should be invested by way of utilizing the capacity for new or urgently needed tasks.

The necessity for this is primarily the result of:

- the increase in the volume of tasks, with a simultaneous decrease in labor capacity.
- the growing complexity of handling the tasks from the aspects of technology, economy and administration.
- the considerable increase in arms cooperation with the alliance partners.

140 Major Projects and 1,300 Equipment Developments

The number of technologically and economically important major projects (weapons projects) has grown by about 75 percent from 80 to about 140 since 1972. Since 1978 alone the equipment development projects have increased from about 900 to about 1,300. Analogous with this, the forefield activities in the areas of research, future technology and technology have increased.

This growth in tasks is not balanced by a corresponding elimination of tasks; For while the successor projects are being planned and developed, the defense material of the preceding generation is still largely at the procurement stage or in the utilization phase, having its combat efficiency increased and/or its lifetime extended through conversion measures that are costly in development and test technology.

Reduction of Personnel Capacity

Along with this increase in tasks came a considerable reduction of the personnel capacity of the defense area. Thus, the volume of personnel in the old departments of Defense Technology (T) and Defense Industry (W) was reduced by 120 positions with the formation of the Armaments Division, and the capacity of the Armaments Division was reduced once more by the economy measures of the last few years. After the new order, the BWB [Federal Office for Defense Technology and Procurement] not only did not have its personnel force enlarged, against the vote of the organizing commission, but despite a shortening of the working time it was cut back by about 1,300 jobs.

Change in the Setting of Tasks

The increasing complexity and difficulty of the perception of the tasks, as well as the change in establishing the tasks in the defense area are primarily determined through

- the constantly changing military threat and the necessity created by it to close gaps in the defense in an optimal manner.
- the rapidly progressing recognition in the field of weapons technology all over the world, that a constant and forward-looking realization of domestic research, future technology, technology and development activities is required,
- the economic opportunities and changes for us and our cooperation partners as well as
- the constantly more difficult administrative framework conditions and constraints.

Finally, the need for capacity in the armament area is determined to a considerable degree by the arms cooperation with the alliance partners. The volume and the importance of international arms cooperation is evidenced through, among other things, the fact that at this time about 50 cooperation projects including preliminary phase studies are being conducted with our cooperating partners. In this respect the colleagues of the Armaments Division and the BWB often have to face a multitude of discussion and negotiation partners, often in a difficult position in the truest sense of the word. Because the approximately 19,000 members of the Armaments Division and the BWB with its subordinate section face about 35,000 employees in the British and about 30,000 employees in the French defense areas. The superiority in terms of personnel in the United States in this field is totally impossible to compare.

This is the background against which necessity and feasibility, as well as the limits for improvement and streamlining of the conception of the tasks in the defense area, must be judged.

It must be based on two aspects: First, on strictly limiting it to the ministerial functions of planning, guidance and control, second, on preservation of the expert competence for practicing this ministerial control function and for heading up the dialog with the military consumers.

No Sacrifice of Project Evaluators at the Armaments Division

Expert competence and dialog capability make up the core and essence of the task complex for project evaluators and hence of those who carry management responsibility in the Armaments Division. Thus, there can be no sacrifice of project evaluators as bearers of ministerial responsibility for technological and economic project planning and for controlling the implementation of defense material requirements.

Technological Capability Must Be Retained

A precondition for project management in the Armaments Division--but not identical with it--is the presence, retention and care of the technological judgement capability. Otherwise the Armaments Division could not make any contribution to the conceptual planning for the equipment of the Bundeswehr, would remain mute in the study groups, could neither advise the leadership of the Defense Ministry nor the users, would not be capable of giving the BWB any headstarts or impulses and could not fulfill its guidance and control function. Hence, it is unavoidable for the Armaments Division to retain the necessary technological capacity, including the research components, in addition to its management capacity. These are fundamental preconditions for the proper accomplishment of the tasks of the Armaments Division.

Organizational Classification of Defense Technology Research

Nevertheless, precisely here I would like to mention a partial aspect, which has been the subject of discussion for some time: The issue of organizational classification of the defense technology research tasks in the narrower sense of being a subsection of the overall mission of "development of future technology for defense technological applications."

The organizing commission for a new classification of the defense area had recommended as early as 1970 that research, future technology and general technology should be combined as cross-sectional tasks. In this the commission proceeded from the knowledge that the transition, both between research studies and studies in future technology and to general defense technology studies and component development, is fluid and escapes an unequivocal classification, particularly in the boundary regions. This recommendation was not followed by the new classification decree. Nevertheless, the discussion has never died down.

It is the joint objective of research, future technology and component development to gain secure knowledge of methodology and technology, to apply proven, functionally safe components to the development of weapons and to reduce the development risk decisively. This functional connection between the fields of duties is at least an indication of the feasibility of the closest possible organizational connection between them.

The organizational separation of the future activities of research, future techniques, technology and component development, which belong together functionally, is very likely not a good basis for their interaction, and the present organization is therefore less suitable for promoting the necessary dialog between research and development.

The objection is made to these reflections, that they harbor the danger of neglecting the longer-range research aspects under the pressure of concrete development projects, and that the research capacity would increasingly be brought in to support the development projects for short-term work not characteristic of research.

These misgivings about a blending of research, technology and development work must be taken seriously. The potential neglect of long-term objectives in favor of short-term successes and results is certainly a real danger, which carries even more weight since the promising basic knowledge gained from this research would increasingly be lost. This would have the result that fewer alternative solutions would be available on the basis of new technological feasibilities. Conventional ways would continue to be chosen or new ways sought on insufficiently safeguarded foundations, which contains in it the danger of faulty industrial developments and thus higher costs.

Nevertheless, these fears are based on a strange statistical approach, which is in contrast to the otherwise uncontested connection between research, technology and development. The researcher must also--stimulated by the developer--have feasible, although far-reaching development goals in mind, just as, on the other hand, the developer is forced to rely on research results for his projects and must have knowledge of them. It is also important to formulate the research goals with a view to their future defense-technological relevance and to make the research results transparent and useful. This is an interactive, dialog-type process. In this process the boundaries are fluid and not unequivocal. This is undisputed by both opponents and advocates of combining research and technology.

It is important to make this functional and imperative dialog as effective and frictionless as possible. The best means for doing so are to avoid cross-sections, dismantle formal organizational barriers and reduce all separation of areas.

To me, research, studies of future technology, component and experimental developments are blended in with the overall volume of "opening up future technology," and their organization should therefore be combined according to professional viewpoints. That is my result from weighing the pros and cons, while taking into account the abovementioned overall organizational problems of the armament sector.

Entering New Paths

In the next decade supplying equipment to the Bundeswehr will confront us with difficult financial, personnel-related, industrial and alliance-political problems, which will have to be overcome "through the economy," if possible.

We will be able to produce a representative relationship between financial means and defense capability, if we do not shy away from entering new paths as well. There is no patent prescription for this. All opportunities that present themselves will be utilized. I have mentioned a few.

We will enter the development phase for concrete projects only after careful system definition and establishment of final specifications, as well as after clarification of all component risks.

The self-discipline and prudent limitation on the part of the Bundeswehr will have to considerably increased, as far as imposing demands and, above all, changing them is concerned. Here is where the military consumer comes in. But the armament sector as well must rein in its technological ambitions and become even more of a well-meaning and critical adviser to the Armed Forces.

In this context the defense planning guidelines of February 1983 will be a valuable aid, if strictly adhered to.

Many conventional theoretical models will make the work difficult. Traditional concepts, prestige, service branch thinking and the still underdeveloped capability of seeing the limits to what is financially possible, are only a few aspects. Even so, we must accomplish the imposed task: To assure the preservation of a threat-oriented defense capability for the FRG, which is also feasible from financial aspects.

11949

CSO: 3620/429

ARMED FORCES TO ACCEPT ITOW MISSILES ON SCHEDULE

Helsinki HELSINGIN SANOMAT in Finnish 28 Sep 84 p 15

[Text] Suspension of production is not reflected in deliveries.

The delivery schedule of the American-made ITOW antitank missiles purchased for Finland will not be changed even though production of the missiles has for the time being been suspended due to defects that have turned up in them.

On Thursday chief of General Staff Vice Admiral Jan Klenberg said that deliveries would be effected according to plan. According to reports not officially made public, the first ITOW missiles will be received before the end of the year. A group of Finnish experts is right now in the United States acquiring training in their use.

"We have no cause for concern. The inspections in the United States are aimed at weapons that are in storage. Deliveries are taking place according to plan," Vice Admiral Klenberg said.

In tests conducted in the country of its manufacture the missile has in some cases begun to rotate in a circle because the second engine did not ignite. According to what Vice Admiral Klenberg said, rigid acceptance tests will be made on the weapons in Finland before they are released to units.

ITOW antitank missiles are already in use in over 30 countries, among others in Sweden, Norway and Denmark. In the recent war in Lebanon, for example, the Israelis successfully fired them from M-113 armored carriers and antitank helicopters.

Most of Them to Northern Finland

The ITOW missiles purchased for Finland are so-called second-generation missiles. The gunner simply aims it at the target toward which the missile is guided in accordance with what he has aimed at. In the head of the missile there is a 20-cm-long nosepiece with the aid of which the charge in the cavity of the missile explodes at the most effective distance from the armor plate.

The ITOW weighs about 20 kg and is 117 cm long. Its range is 4 km. One missile with its launching device weighs slightly more than 100 kg. The ITOW

system may be mounted on a vehicle or carried [by the gunnery team]. In Finland the equipment will probably be mounted on armored carriers built by Sisu.

In Finland the weapon will be called the PST [antitank] Missile 83. Previously, antitank missiles were purchased for the Armed Forces from the Soviet Union. In Finland the designation PST Missile 82 is used for the Russian missiles.

Most of the ITOW's will probably go to the light infantry brigade in Sodankyla. The missile is best suited to open country because it is wire-guided.

Vice Admiral Klenberg acknowledges that precisely Northern Finland is an area where a long-range antitank missile is necessary. In his opinion, however, Lapland will have no monopoly on the new weapon.

11,466
CSO: 3617/2

MEASURES ADVOCATED FOR ALGARVE IN NATIONAL DEFENSE CONTEXT

Lisbon NACAO E DEFESA in Portuguese Apr-Jun 84 pp 89-98

[Article by Jose Antonio Telles Gomes]

[Excerpts] Geographic Character

The concept of Algarve as an "island," which is the reason for its individuality and identity, if not indeed for the fact that it has endured as a unit for centuries, is based essentially on its geographic features.

Algarve covers an area of about 5,000 square kilometers. Bordered by the Atlantic Ocean on two sides--south and west--isolated from the rest of the mainland territory by a chain of mountains, dissected in some areas by abrupt slopes, and separated from Spain on the east by the Guadiana River, its configuration and marked geographic isolation make it resemble an island more than anything else.

Its small size, the difficulty of communications with the rest of the country (it should be remembered that there are only three points of access to Algarve: a narrow coastal strip, Sao Marcos da Serra, and the link between Barranco Velho and Sao Bras de Alportel), a 150-kilometer maritime shore washed by calm waters and broken by a few bays with good ports and anchorages, and the prevailing mild climate give Algarve a markedly maritime outlook whose setting and zone of natural expansion are the Atlantic.

That explains why the sea has always been the starting point and the point of return for the man from Algarve.

Algarve Today in National Defense Context

Survey of Principal Conditioning Factors

Current events, NATO, and the East-West conflict have conferred geostrategic importance on "Algarve Island" (an importance that so far has been relegated to the background) and turned it into what has, with some justification, come to be commonly called the "Portuguese semiarchipelago."

In the context of national defense, its geopolitical location means that it constitutes an area both of vulnerability and of potentiality.

But let us look at a few factors which, being interlinked with its geographic location, are sufficiently revealing as far as that prevailing notion is concerned.

a) Algarve enjoys a privileged position as regards access to the Strait of Gibraltar.

b) The following major shipping routes come together in its territorial waters:

1. Those that originate in the Far East or the East Indies and follow the west coast of Africa (the Cape route) on their way primarily to Southern and even Northern Europe.

2. Those coming from the Mediterranean and the Middle East (via the Suez Canal) on their way to Northern Europe and North America.

3. Those coming from the west coast of South America on their way to the European continent.

c) Sailing off its coasts are a significant number of the 500 ships that travel through the Portuguese "triangle" every day with cargoes consisting of, among other products, about two-thirds of the petroleum imported by West Europe--in addition to other raw materials considered vital to Europe's economy and security.

d) A quite considerable share of Portugal's imports travel through its waters, and in this connection, it is interesting to note that about 90 percent of the products Portugal acquires abroad arrive by sea.

e) Some of the most important air corridors, especially those linking the United States with the Middle East and North Africa, pass through Algarve's adjacent airspace.

f) Its coasts or the adjoining waters are the starting point for or location of some of the most essential telecommunications systems, chiefly undersea cables linking the European continent with Africa and South America.

Other equally important factors can be added to those mentioned above, especially if one remembers that Portugal is a member of NATO.

As everyone knows, the territory covered by NATO is separated by seas and oceans, and in case of conflict, it will become urgent to activate the process for transporting resources (human and material) over long and necessarily vulnerable sea and air routes.

In addition, since it is vital to the defense of West Europe that those reinforcements arrive quickly, keeping those lines of communication open will be one of the basic concerns of the NATO countries.

Furthermore, since the opponent will develop an appetite for those areas because of their importance in securing NATO's rear and its supply lines, the objective

for NATO will be to ensure their neutralization. And that explains their obvious vulnerability.

Here again, Algarve's geographic setting means that its territory and the adjacent and surrounding space (sea and air) have an acknowledged strategic potential and, as a consequence, that there is coresponsibility for ensuring that the inevitable sealoft and airlift operations take place reliably and safely.

Algarve's geographic proximity to Northwest Africa is also likely to contribute to a heightening of Portuguese concerns.

The region's sociopolitical instability, the actions being launched by the POLISARIO Front [Popular Front for the Liberation of Saguia el Hamra and Rio de Oro (Western Sahara)], and the attention that some of the most radical African and Arab leaders are continuing to pay to the Atlantic islands--perhaps because of pressure from Soviet internationalism--may have repercussions in Algarve.

In this connection, it should be pointed out that in view of the features of the Algarve coast, the appearance of a "crisis area" in Northwest Africa may lead to attempts to use Algarve's territory for the illegal movement of important people and even equipment. This would constitute a serious assault on Portugal's sovereignty and endanger its internal security.

In view of the possible dimensions and resources of Algarve's waters, the existence of an extensive EEZ [exclusive economic zone] will accentuate Algarve's vulnerability as well as giving rise to significant national potential.

In this context, therefore, a number of sometimes ticklish problems may arise to affect the full exercise of our capabilities in connection with sovereignty.

Along with the exploitation of its resources, surveillance, protection, and defense in our EEZ adjoining Algarve constitute one of the most serious of national problems, considering their multiple sectoral implications.

A revealing example of this, incidentally, is the existing fishing dispute with Spain.

In concluding this survey--not necessarily exhaustive--of the chief conditions constituting "Algarve Island's" vulnerabilities and potentialities, we want to be careful to draw attention to a situation which normally goes unnoticed but which, given its originality (due to its eminently sociological nature), acts as a factor for disturbance and even social instability.

Selecting it for mention in this context is due to its implications as far as the country's internal security is concerned.

What we are talking about, naturally, are the activities of the "underworld."

Since Algarve is a coastal region easily accessible by sea and situated at the confluence and on the periphery of areas of international strategic and geopolitical tension, as well as being regarded as a cosmopolitan center of services

and leisure activities--being eminently suited to tourism--its territory may become the scene of activities characterized by their illegal nature and ranging from drug and arms trafficking to the most sophisticated forms of international terrorism and other illegal activities carried on by foreign intelligence services, not to mention the routine practices of organized smuggling.

The problems involved may become complex, since criminal activity has been increasing and advancing--the visible evidence of such activity is only the tip of the iceberg.

Necessary Structural Measures in National Defense Context

The picture as drawn confers on Algarve special responsibilities as regards its place in the Portuguese "triangle" and its location in relation to some of the chief "choke points" whose existence is a highly sensitive matter in the defense of the West.

As a matter of fact, it is from an overall and permanent standpoint of national defense that we consider it appropriate, on the basis of the presuppositions outlined, to draw attention to the need for implementation of a number of more or less important structural measures on "Algarve Island."

1. Deterrence

Considering the geostrategic position of Algarve and the international commitments assigned to Portugal in the context of the Atlantic Alliance, it is necessary to accentuate and develop the factors that can contribute to the capability for deterrence and defense in case of conflict.

Among those factors, we can emphasize the following:

a) The installation in Foia (Monchique) of a radar detection and control station whose purpose will be not only a stronger guarantee of the integrity of our national airspace but also permanent sea and air surveillance at all altitudes in the area comprised between the Azores, Madeira, and the Strait of Gibraltar.

Its establishment and consequent integration with the NATO air defense system will permit naval air control of the lines of communication that meet in that key area, which is vital to the defense and security of West Europe.

In case of conflict, its operation will provide the effective and priority trigger mechanism for air defense in depth in support of the naval air forces responsible for the reinforcements that will be sent to NATO's southern flank.

This radar detection and control station will increase Portugal's credibility as a member of the Atlantic Alliance and prevent that responsibility from being claimed by others.

b) Improvement of the existing port infrastructures and their maintenance in operating condition.

The reliability of this system in a territory such as Algarve, which is surrounded by calm waters and provided with good anchorages like some of those located in the west, takes on special importance and increases its strategic potential.

c) Guaranteed land-based protection of Algarve's territory in view of its vulnerability and the extreme accessibility of its maritime frontiers.

This objective can be achieved through suitable coverage of the most sensitive zones by mobile military units or effective security forces.

The result will be to strengthen deterrence and to help discourage activities typical of the underworld as well as possible attempts brought on by the geographic proximity of Northwest Africa and undesirable infiltrations from the rear.

2. EEZ

Since the EEZ adjacent to the Algarve coast is very extensive, it is imperative that the problems related to surveillance, protection, and defense be considered, this in addition to increased exploitation of the area's resources.

Safeguarding Portugal's legitimate interests, a problem further spotlighted by the expiration of the fishing agreement with Spain, constitutes an unequivocal assertion of sovereignty in the present situation.

It seems appropriate, therefore, that suitable and operational patrolling of the maritime portion of the EEZ be established in the form of balanced and inter-linking sea and air forces.

In the east, surveillance and control of the coastal waters for a distance of at least 18 miles should be seen as priority objectives.

3. Socioeconomic and Cultural Development

Given the overall, permanent, intersectoral, and multidisciplinary nature of national defense, tasks related to Algarve's socioeconomic and cultural development assume a predominant role.

Merely as an indication of what is involved, we will draw attention only to the chief areas that should be the object of a set of structural measures that will contribute considerably to a strengthening of the philosophy of national defense.

Among them, the following are important:

a) The dissemination among Algarve's young people of a genuine spirit of defense capable of increasing national cohesion.

b) The scientific-technological adaptation of courses taught in the new Algarve University to a view of national defense that will stimulate study and research in connection with the region's potentialities.

- c) Implementation of a balanced regional development plan that will reduce the existing imbalances between the coast, the rocky zone, and the mountain zone.
- d) The establishment of sectoral development programs for agriculture, fishing, and tourism to minimize their vulnerabilities and maximize their potentialities.
- e) Reconstruction or improvement of the road link between Lagos and Vila Real de Santo Antonio.
- f) Harmonious and rational protection of the environment.
- g) Urgent establishment of the region [political subdivision] as provided in the Constitution of the Republic.

11798

CSO: 3542/133

FINNISH SCHOLAR: SWEDEN INCREASINGLY VITAL IN WAR PLANS

Copenhagen AKTUELT in Danish 19 Sep 84 p 10

[Text] Stockholm (TT)--Sweden's importance in Soviet military planning has increased. If the superpowers start a war for supremacy in the North Atlantic the Swedish air bases will be especially important--and that could lead to an initial surprise attack on Sweden.

This assertion was made by Gunnar Jervas, a Swedish military researcher and lecturer at Abo Academy, in a new publication from the organization called People and Defense.

Sweden has gained increased importance in the strategies of both superpowers, according to Gunnar Jervas. The important thing for the Soviet Union is to get the starting positions for the air force moved up to the point where combat planes can be set in over the North Atlantic.

So far the Swedish defense doctrine has referred to the risk of an attack on Norrland and Skane. Both areas are decisive for access to the Baltic.

Gunnar Jervas now says that central Sweden has been downgraded in priority as a strategic area in the Swedish planning.

There are Soviet submarines armed with nuclear weapons in the northern part of the Baltic and the Soviet Union has a clear supremacy in the air and at sea, Jervas said. But in his opinion attacking southern Sweden would not be enough to insure control over passage into the Baltic Sea.

It is in a battle for the Atlantic that Sweden could be important as a base area for Soviet airplanes. In other contexts Swedish territory would be of interest from a more defensive point of view.

It would be advantageous for NATO's combat planes to fly over Sweden on their way to targets in the Soviet Union. Sweden's strategic importance has also increased as a result of the deployment of cruise missiles in western Europe.

Swedish defense planning, which is based on the idea that an isolated attack on Sweden can largely be ruled out, has become outdated because it is based

on the assumption that Sweden is strategically uninteresting, the Swedish military expert said.

"Sweden is far more important than it was considered to be in the past," Gunnar Jervas wrote.

"An attack on Sweden during an ongoing armed conflict could be much too problematical. There could be big advantages in conquering Swedish areas in the first phase of a conflict," Jervas said.

His theory is that Sweden risks being the springboard from which a continued assault on western Europe could be launched.

At the same time, however, he said that there is little risk of war. But even in peacetime the superpowers can try to improve their military positions.

If Moscow gains support for its proposal for a Nordic nuclear-free zone it could be a step on the way toward neutralization of the Nordic region, which would change the entire military strategy situation in the North Atlantic.

In the current situation in the Nordic area, Finland's strategic importance for the Soviet Union has been reduced, according to Gunnar Jervas. This is because the Soviet Union has strengthened its positions in the entire Baltic Sea area.

However it may still be more difficult for the Soviet Union to influence the situation in all of northern Europe and that can lead to increased Soviet pressure on Sweden's position in the Nordic military balance.

The real material for conflicts between the superpowers has long been present in the Third World and Gunnar Jervas predicted that the United States will push forward at the expense of the Soviet Union. This is because American foreign policy under Reagan is no longer hampered by the "Vietnam syndrome."

This combined with a weaker Soviet economy is forcing leaders in the Kremlin to turn their gaze toward areas where they already have military advantages and where political developments provide possible openings--as in the Nordic region and in western Europe.

Despite the altered situation Gunnar Jervas does not think Sweden should abandon its policy of neutrality.

"Our credibility depends on whether we can convince potential aggressors that an assault would not be worthwhile," he said.

6578

CSO: 3613/2

SAUDIS INTERESTED IN TURKISH WEAPONRY

Duesseldorf WIRTSCHAFTSWOCHE in German 21 Sep 84 p 6

[Text] Saudi Arabia is evidently placing its hopes on being able to acquire the German Leopard II tank by a backdoor route. Saudi Crown Prince Abdullah recently put out feelers to Turkey's Prime Minister Ozal for possible cooperation in the armaments sector.

The Saudis' particular interest was fixed on Turkish plans for license production of the Leopard. The Saudis were even eyeing the Turkish submarine construction program--drawn up from German blueprints--as well as the licensed production of the U.S. F-16 fighter aircraft concluded in an agreement between Turkey and General Dynamics. The Turkish aircraft firm of TUSAS will be assembling some 160 F-16 jets between 1988 and 1994 at a factory in Murat near Ankara now under construction.

Saudi interest in the project came at an opportune moment for the Turks, who will have to dig up some \$1 billion in hard currency for the \$4.5-billion arms project.

As a third party to a Turkish/Saudi joint effort, the Egyptians are now coming into the picture. Last August at Cairo, Turkish Defense Minister Zeki Yavuzturk put his signature to a long-term agreement on Turco/Egyptian partnership in the arms industry.

CSO: 3620/26

TINDEMANS ON PEGARD CASE, COCOM, TRADE WITH SOVIET UNION

Brussels KNACK in Dutch 22 Aug 84 pp 16-18

[Interview with Leo Tindemans, minister of foreign relations, by Frank de Moor and Karel Cambien: "Tindemans: 'After All, There Are Rules'", 18 Aug 84]

[Text] Often the facts are put in the right with some delay. There is also the case in the so-called Pegard case. Today it is no longer so certain that the controversial drilling and milling machine was as trivial as the proponents of its export to the Soviet Union have contended over the past weeks.

For instance, it is certain that the Soviet Union was just as much--if not more--interested in the computer control of the machine as the machine itself. For, initially the brain of the Pegard machine was a Siemens 8 MC. This is a computer which enables the drilling and milling machine linked to it, to work three-dimensionally and to simultaneously execute six different--correct to the millimeter--coordinated movements.

It is, among others (and especially), this essential part which was supposed to have been "demoted" end of 1983 so that there would be no more risk that some members of the COCOM [Coordinating Committee for East-West Trade Policy] would continue to oppose possible export of the Pegard.

Therefore, there was talk of a totally different Siemens computer: this time it was the Siemens 3 MCE.

The E is for East and clearly indicates that this type of commercial control can be exported to East European (i.e., Warsaw Pact) countries.

With an 8 MC, only two simultaneously coordinated drilling and milling operations can be executed. So, according to a Siemens experts, the machine can shape a girder into a tube but not into a ball.

However, according to another expert who studied its characteristics for the government, the machine still has parts which could not be allowed to be exported to the East according to the strict interpretation of the COCOM rules.

The drilling and milling machine is and will be basically meant for treating planes and can thus make some thousand pieces: "Also missile parts and lifting gear" (sic).

The report of the authorized expertise bureau Vincotte which was finished on Friday, 3 August, and was published by LE SOIR on 8 August, does show that the drilling and milling machine as it could be made, would--also when making military equipment--"only be able to do things which a large number of machines in the Soviet Union can already do now with the same precision." So, the question remains as to what is the real reason for the export ban. We posed that question to Minister of Foreign Relations Leo Tindemans (CVP [Social Christian Party]) while on vacation in Nieuwpoort, on Saturday 18 August.

[Answer] The export problems do not only have something to do with the high-technological aspects of the drilling and milling machine but also with its final destination. COCOM also pays a lot of attention to that.

This is the problem of the so-called end-user, the problem to examine for exactly which purposes some of the high-technology products exported by the West, are used in East Europe.

It may be allowed to export them according to the COCOM lists. Well, if Pegard has finally "demoted" its machine, then it is clear that Pegard knew quite well what it was all about. Besides, one forgets that the contract for its delivery was not made by Pegard but by Pegard's main shareholder Voith in Moenchengladbach. If it would have been so easy for the Federal Republic to make the machine, as some people wrongly contend, then why did Voith not do it? No, demoted version or not, there was the life-size problem of the end-user, the final destination, and that was to be a factory of the Soviet Russian Army in Novo Kramatorsk where work is done on missiles and launching platforms.

Vice Prime Minister and Minister of Justice Jean Gol and myself have seen proof of it. I had also invited other ministers, my colleagues.

Nothing could be clearer than the evidence of the American Department of Defense.

Blackmail

[Question] Would it not have been better if you would have shown those documents and explained more, publicly?

[Answer] We are not allowed to do so; and even then. Take for instance the Vincotte report. That made things even more complicated.

Those experts--fine people otherwise--do not know anything about the political aspects of such a file and about our relations with the allies.

Therefore, one cannot continue just like that on the basis of their preliminary report. They did not even see that machine. Did the documents they studied actually correspond with the machine which was packed and ready to be shipped, in Antwerp? A manufacturer who has to take such export restrictions into account, better wait for his permit before making such a machine, let alone keep it on the quay. That looks like blackmail.

[Question] Do you think that this dossier will have international consequences for Belgium, even if it were only within the framework of East-West trade?

[Answer] One can never tell which political element could creep into an economic dossier. I have always been against a trade war. I do not see much point in it. However, it is a different problem if by exporting technologically superior products, we contribute to allowing the Soviet Union to catch up on their military-technical arrears.

Since the invasion of Afghanistan in 1980 and the crushing of solidarity, East-West relations have changed. In 1975 we arrived at the final memorandum of the Conference for Security and Cooperation in Helsinki, convinced that the three so-called "baskets" would form the counter-balance for establishing influence zones in Europe which the Soviet Union was after. Well, in one of those baskets was the respect for human rights in East Europe. So, when an attempt was made in Poland to set up a union and it was crushed, lots of Western countries felt cheated. Therefore, there is a request for countermeasures and restrictions for the export of high-technological products to the Soviet Union.

When on 1 January 1982 Belgium was appointed for the half-yearly chairmanship of the European Community, I called my European colleagues on 4 January to discuss this matter. There, we decided together to ban the export of high-technology products. That was a joint decision and we are prepared to reconsider it if the entire West does so.

[Question] Will the renewal of the 10 year old cooperation accord between Belgium and the Soviet Union not be hampered by that attitude and the attitude of the government?

[Answer] I do not think so. Generally, I should say that they do not care what a small country like Belgium does or does not do. The only thing that concerns them--and that is evident during talks at the highest levels--is the American position.

[Question] Can a little country like Belgium--not to mention the EC--not change anything in this?

[Answer] If I do try to plead for a more independent course within the NATO or with the West European Union, then one is quickly criticized by some pacifist who thinks he has to hit out against the possibly budding, European military-industrial complex. One has to know what one wants, either one does it in a European context or an Atlantic context but always a price has to be paid.

In the year 2000, there will be 25 cities with more than 10 million inhabitants; then one can see what Belgium means on the globe.

It appears to me that the fundamental tendency in the Soviet Union is one which would like to see all problems settled more and more between the two superpowers; the Soviet Union on an equal footing with the United States. This means that West Europe is in imminent danger of becoming some sort of influence zone but would no longer be able to lead its own existence and that quite a few East European countries would be dependent upon the Soviet Union forever.

Consensus

[Question] Were you not too orthodox when dealing with the Pegard dossier? Is there any sense in respecting COCOM while it is known that other countries do not take it seriously sometimes?

[Answer] That is what they say but all the time there are American and other dossiers which run into an export ban of COCOM's.

Let us assume for a moment that I am too orthodox; then the government should say that it does not take that into account. Besides, I was not the only one in the government who pressed for caution and orthodoxy.

[Question] Then the question of COCOM's structure remains. It is based on silent agreements and besides, very vague ones if not non-existent ones.

[Answer] That makes it very difficult indeed and at the same time, so beautiful. Within COCOM, they are always looking for a consensus. The absence of one in the Pegard case made the Americans so much more grumpy. If Belgium would have issued an export permit, then we would have broken the rules of the game. This form of deliberation is so much better than complying with an agreement because like-minded countries within COCOM--no matter how great tensions between them may be--do deliberate and aim for a consensus. Before a government breaks those rules, it should know what it is doing and some Belgian ministers really did not know that. The lack of coordination was simply irritating.

Another lesson from the Pegard case is that, according to some, we should even renounce vital, international agreements to serve subregional interests, let alone the interests of one single firm--no matter how respectable.

12433

CSO: 3614/128

OECD: DANISH UNEMPLOYMENT TO LESSEN IN NEXT 15 MONTHS

Copenhagen BERLINGSKE TIDENDE in Danish 26 Sep 84 Sec III p 14

[Article by Kermit Norlund]

[Text] Brussels--Denmark is doing well, while unemployment in Europe is headed for a new record.

Danish unemployment will decline over the next 15 months while the unemployment figures in Europe are rushing toward records highs of almost 20 million people out of work.

This appears from the latest employment report from the cooperative organization of the industrialized countries, OECD. According to the report Danish unemployment was at 10.6 percent last year and will be around 10.5 percent this year. In 1985 Danish unemployment will decline further to 10.0 percent.

Unemployment in the European OECD lands will move from 10.5 to 11.25 percent in the same period the OECD economists predict. Unemployment in the whole OECD area is expected to stabilize around 8.5 percent, which in real figures represents 31 million people out of work this year and 31.5 million out of work next year.

Europe's weak upturn is still one of the main reasons for the high unemployment figures. There is still a big flow of people entering the job market and the increase in the number of people employed is far from being enough to bring unemployment down.

The OECD experts emphasized in their first employment report--which was released a year ago--that it would be necessary to create around 20,000 new jobs every single day from 1984 to 1989 to bring the total OECD unemployment figure down to the 1979 level, namely around 19 million people out of work.

Last year's report stated that 40 percent of the new jobs would have to be created in the United States and 40 percent in Europe, while Japan would have to come up with the remaining 10 percent.

The United States actually created more jobs than the 40 percent recommended and Japan reached almost 10 percent. But in Europe employment continued to decline and unemployment rose to 10.3 percent.

OECD now says that although there are indications that employment will start to rise in Europe this year after 3 years of decline, the increase will not come close to offsetting the steady expansion of the labor force.

The OECD experts stress that the reduction of work hours that is taking place in a number of member countries in the form of a shorter work week, longer vacations, job sharing and early retirement could increase employment. But at the same time they warn that the adjustments in work time will have to be accompanied by a division of income since the wage costs would be exorbitant if there was full wage compensation.

The report noted that the OECD lands have very different views about the importance of work hours as a tool against unemployment. It is especially the cost side of a quick reduction of work hours that divides the countries.

Once more the OECD economists are calling for more flexibility on the labor market to keep the economic upturn going. They note with satisfaction that price index regulation and comparable measures have had less importance in contract negotiations. And they praise the examples of wage freezes and wage reductions that have been negotiated as a means to protect existing jobs.

6578

CSO: 3613/2

BRIEFS

MORE JOBS EXPECTED--If an AIM [expansion unknown] analysis conducted for the Baltica insurance concern's paper ERHVERVSLIV can be believed there is so much optimism among Denmark's 250,000 small and medium-size firms that at least 45,000 more people will be working by the end of the year. The interview study was made in June, so the predictions apply to the entire second half of the year. The study shows that 23 percent of these firms thought they could hire more people and 5 percent thought they could employ fewer people, so a total of 18 percent of the small firms anticipate higher employment. If each of them employs only a single extra person it would provide jobs for at least 45,000 more people. The optimism and growth reflected in the survey is also expressed in the fact that a quarter of the leaders of small businesses said that their firms would make one or more large investments before the end of the year. The AIM survey was based on interviews with 327 heads of small or medium-size businesses with fewer than 25 employees. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 26 Sep 84 p 10] 6578

CSO: 3613/2

CHARGES OF INDUSTRIAL 'PRESERVATION' BRING SPD REPLY

Duesseldorf WIRTSCHAFTSWOCHE in German 3 Aug 84 pp 48-50

[Article by Wolfgang Roth: "Orderly Withdrawal"]

[Text] The disavowal of a state structural policy by Klaus-Dieter Schmidt, which appeared in the last edition of WIRTSCHAFTSWOCHE, has not gone unanswered among our readers. Wolfgang Roth, chairman of the SPD's circle on economic policy, finds the Kiel economist's statements oversimplified.

The message of Klaus-Dieter Schmidt's article can be reduced to this core recipe: Take "pure market economy," add a shot of "new dynamism" and wait for creative impulses. Naturally the author is correct when he indicates that with properly operating competition at home and genuine competition from abroad, market economic control mechanisms ensure the best possible use of production factors, at home and worldwide, best possible at least in the sense of minimizing costs. What we are experiencing today in the industrialized nations of the West, foremost in the United States and Japan, is competition in technology and innovation which is assuming more and more the features of an economic arms race.

The objective is the same in all industrialized countries: the range of exports has to be switched as quickly as possible to top-quality technological products, more quickly in any case than would be possible under purely market economic conditions, in order to achieve competitive advantages, initiatives for growth and employment opportunities. Only the following strategies differ:

--The United States subsidizes the research budgets of its companies through the military budget and space travel.

--Japan concentrates the research and development capacities of its companies and universities, defines industrial objectives, which are then pursued consistently right up to the precise planning of export offensives.

--England and France accept substantial strains on state finances in order to subsidize branches of industry which they consider to be highly promising and --like others--they additionally protect their markets for high technology products from outside competition, at least to some extent.

The technology race between all the competing countries is taking place in the same areas: comprehensive application of microelectronics, biotechnology and gene technology and new substances and materials. At first sight it may appear to be economic idiocy if everyone is pushing in the same directions in technology. It is less idiotic if it is known that they are all key technologies, which can be applied in all possible areas and a failure to master them can mean competitive disadvantages.

How should we react to this competitively destructive international technology race? For me there can be no argument: We must keep pace with reason and quality. Only in this way can we maintain our prosperity. The question has to be: How can we assure ourselves a leading position in research, and how can we manage to translate the results of research into marketable products faster than other people?

Schmidt's answer is really simplistic. Totally in the spirit of today's economical directives from the supply side philosophers, he is recommending a revitalization structure for the German economy, whatever that may mean. I do not consider these general theses to be particularly relevant. Whether Mr Schmidt likes it or not, our state is having a daily influence on policy decisions on research and technology, and he is making decisions himself.

Minister for Post and Telecommunications Christian Schwarz-Schilling is making decisions on technology policy when he links up the republic with copper instead of fiberglass--and he is by far the biggest investor in the FRG; the minister of defense exerts some influence when he decides to purchase equipment in Europe or The United States. In short: wherever the state appears as a major purchaser, it has an influence. And wherever the state distributes research money, even money for basic research to the universities and elsewhere, it makes decisions on research and technology policy.

The situation is as follows: Each day the state is determining the course of policies for research and technology. But currently it is determining them in a way such that the left hand does not know what the right is doing. What is more appropriate than promoting a coordination of state action, a goal-oriented policy for research, technology and industry that is homogenous? At this point Schmidt would note: And the research bureaucrats define the goals! Not at all.

What is the objection to starting a dialogue on a policy for research, technology and industry, in which the state, employees, employers and scientists participate and in which the attempt is made to scan the future. The objectives of this dialogue would have to be:

1. To discuss in which direction we are going to march technologically.
2. To point out the consequences and perspectives for the labor market, and for social and educational policies, which could be, for example:

--Reductions in work time, because of the lack of alternative employment opportunities, are possible and particularly necessary in those areas where work can be replaced by capital and where the demands on the ability of the

workers to concentrate are increasing to such a degree that shorter work times are needed to avoid mistakes; or

--Efforts in training are necessary, by whomever and whatever means possible, so that we have the people with the proper qualifications for the new technologies at the skilled worker level.

3. Examine where bottlenecks and opportunities exist in research, technology and innovation.

4. Clarify how these bottlenecks can be eliminated and the opportunities can be used better, and what role the state, science and companies should meaningfully adopt.

I would like to mention two important bottlenecks in addition:

--First, the small volume of financing of venture capital for young companies and also for medium-class companies. There is still a lot to do here, not so much by the state, but in particular by the banks.

--Second, the bottleneck and the opportunity that is Europe. What is missing is a unified domestic EEC market, with standardized technical norms. This is preventing us from fully exploiting the advantages of the division of labor in Europe. I am convinced that we can only have this unified domestic market if we make our technical knowledge available as a service in return. In concrete terms: If we agree to the French initiative for a European policy for research and industry and cooperate more at the state (research) level as well as at the company level in Europe.

I consider it to be an illusion to believe that the FRG can further expand its leading position in technology in Europe by going it alone as a nation and completely dominate the technology markets in Europe. France is not prepared to abdicate its markets of the future to Japan; France will also not surrender them to us, even less than the old markets for steel and textiles. Other states will be as little prepared to do so.

Let us turn briefly to the traditional industrial regions: Mr Schmidt wants to push someone like me into the corner of a preserver of outmoded structures because I am opposed to allowing traditional branches of industry to die a quick market economy death. I would not be opposed to this if he could propose to me a cure to revitalize the German economy, which guarantees quick availability of replacement jobs, or if he gives up his position in Kiel in favor of an initiative to found companies in Gelsenkirchen. He cannot do it, or he is not doing it. Are we supposed to give a quick burial to the old industries, which in some regions, like the Saarland, are practically the only industry, in accordance with the Japanese model recommended by Mr Schmidt and turn the workers of entire regions into welfare recipients? Only someone who is completely indifferent to the social consequences and economic cost of his proposal, including the costs of migratory movements inside the FRG, can make a proposal of this kind. I am advocating an orderly withdrawal, the unions are doing the same, and massive efforts with every sort of investment concession to entice companies and replacement jobs into the traditional industrial regions.

In conclusion and in summary, I would like to say: Every day our state makes decisions about policies for research, technology and, ultimately, industry, but they are largely uncoordinated. The objective must be, and that can only mean new industrial policy: More coordination and support for positive conditions for creative initiatives in the economy itself.

9581

CSO: 3620/420

'NEW INDUSTRIAL POLICY' RISKS PRESERVING OBSOLETE STRUCTURES

Duesseldorf WIRTSCHAFTSWOCHE in German 27 Jul 84 pp 45-48

[Article by Klaus-Dieter Schmidt, director of Industrial Structure and Employment Research Group at the Institute for International Economics, University of Kiel: "Shackles for the Future"]

[Text] In the face of conditions of heightened competition in world markets, the old debate about the role of the state has flared up again: The state as the midwife for new industries? Klaus-Dieter Schmidt is afraid that interventions by the state are more likely to be misused to preserve old structures.

The debate on economic policy has a new catch word. It is: "new industrial policy." The word has spread that German companies are in danger of losing their leading position as suppliers of state-of-the-art technology to the competition from North America and Japan, just as they had to concede substantial market shares in standardized goods to the emerging nations in the 1970's. Politicians from all camps--the list of prominent names extends from Lothar Spaeth to Wolfgang Roth--are sounding the alarm. A "new industrial policy" is supposed to help the German economy back on its feet again. This person would like to turn Baden-Wuerttemberg into Silicon Valley. The next one is thinking about the old industries along the Rhine and the Ruhr, for which he would like a "socially compatible growth."

The call for a "new industrial policy" has its origins in the debate about deindustrialization, which began in the second half of the 1970's in the United States and which has now reached the Old World. One popular thesis holds that industrialization in the Pacific area is leading to deindustrialization of the old industrial locations in North America and Western Europe. As a result of the rapidly growing imports from Japan and the emerging nations, thousands of jobs are being lost in industry, without any opportunity to create adequate replacements in other areas, in the service sector or with the state. In popular-scientific accounts, the vision of an industry-free Europe is put about, its citizens existing mainly from the "export of blueprints."

The objective of the "new industrial policy" emerges clearly from this. It is "clean industrialization," and that means a consolidation and renovation of

the locational structure of industry. What that means in concrete terms, and in detail, is not clear. Many people are thinking primarily of the old industries and the jobs that are being lost there. On the other hand, many people are looking principally of the new industries and the jobs that will be created in the future. Many would like to help both: those which are shrinking in the structural change, such as the textile and steel producers, and those which are expanding, such as the manufacturers of computers and robots.

The thesis of deindustrialization questions the basic thought of the classical theory of foreign trade, according to which a liberal trade policy ensures the best possible allocation of resources everywhere and at all times, creating greater prosperity and more employment among all the trading partners. The chain of argument runs approximately as follows: With the intensification of the international division of labor, the more labor-intensive forms of production moved from the rich countries to the poor countries. They were replaced by forms of production which primarily employed capital goods as factors of production. Both sides can achieve gains in prosperity, but only one side can achieve gains in employment. The gains and losses in jobs are distributed unevenly: the gains were all in the poor countries, the losses in the rich countries. The thesis that an expansion of the international division of labor costs the old industrial countries jobs is not new. It has long since been refuted. As the theory of foreign trade teaches, and as numerous studies confirm, the locational advantages of these countries lie in the production of knowledge-intensive goods, not in forms of production that are capital goods intensive. Capital intensive manufactured goods in particular are under strong import pressure, mainly those for which the manufacturing technology is simple and can easily be transferred to the emerging nations.

From this perspective, how does the job market balance in the FRG look? In the 1970's, more than 1 million jobs were lost in the industrial sector, but this can be linked only to a small degree with the change in the world's economic structure. In addition to job losses as a result of increased imports, there were also gains as a result of increased exports. The immediately calculable effects were, on the average, clearly positive (see table).

A variation on this thesis, which frequently emerges in the discussion about the "new industrial policy," is the so-called education-tax argument. It states that industries which have lost contact with international competition should enjoy the protection of the state for a limited time in order to put themselves in shape again. The education tax argument normally plays a part in the debates concerning the correct strategy for industrializing the developing nations. The fact that the old industrial countries are now appropriating it can come as no surprise, but it is somewhat strange. The question can be asked with some justification whether companies which were not able to adapt to changing market conditions will adapt successfully if the state comes to their aid. Conjecture suggests the opposite, that an education tax succours the expectation of permanent protection and undermines individual efforts to increase productivity.

Little is known about the details of the plan for a "new industrial policy" and how it is supposed to relate to the general objectives of economic and structural policies. As was already stated, the ideas are widely divergent. The person thinking primarily of the textile or steel industries has to come up with different ideas from the one whose foremost concern is NC or computer controlled machines or the Airbus.

In fact, the "new industrial policy" has twin tracks. Where its goal is to help the shrinking industries, the pressure from imports is generally the big problem. Accordingly, trade restrictions such as duties, quotas and other non-tariff barriers are often promoted as suitable instruments. In the case of the so-called industries of the future, the foremost, if not the exclusive, concern is new export markets. A technology policy is intended to help them establish themselves. The areas most often mentioned for research assistance are: microelectronics, gene technology, materials research and energy conservation.

It is self evident that the proponents of a "new industrial policy" stress assistance for the industries of the future--no one can take that amiss. The Japanese recipe for success--or rather, what everyone thinks it is--is clearly the model: The Ministry for Research and Technology as a German Miti (Ministry of International Trade and Industry), planning and directing the economic and technical change.

It may be that many technobureaucrats think in this way. It is no accident that the "new industrial policy" has many adherents among those who are flirting with state control of investments. They have every reason to correct their judgment about Japanese industrial policy. Japan's success was fathered by many, and Miti is at best one of them. This success is based not only on the fact that Japan gambled earlier than other countries on forms of production with great promise for the future but also divorced itself more quickly from the types of manufacture that had forfeited their chances in international competition. We should not be content with constantly pondering about how the Japanese managed to take the lead in modern technologies. We could probably learn more if we were to assimilate how they disposed of their surplus capacities of aluminum, textiles or optical equipment.

At this point, a short footnote on Japanese technology policy: the strength of the Japanese clearly does not even lie in basic research and in the development of so-called key technologies. Rather, they participate more than other countries in the international transfer of technology and are quicker and more consistent in transforming technical innovations into marketable products. So it is not so much a matter of how much money is put into research. What comes out as a result is more important.

It is very difficult to visualize a German industrial policy, which, as in Japan's case, could pursue the goal of providing active assistance for structurally weak industries while they are dying. The old-style structural policy was incapable of providing it. It seems highly improbable that something of this nature should be simpler in the future when the bureaucracy had even more subsidies to distribute and when they could resort in even

greater measure to instruments of trade policy in particular. An industrial policy of this kind would turn out to be more in the French mould. Finally, it would mean increased protection, primarily for those forms of production which are under heavy pressure from imports; in addition, it would mean more assistance for a few highly prestigious forms of production, such as microelectronics or biotechnology, which can provide a footing in third markets. The result would be a mixture of "Poitiers" and "Esprit"--the name of the customs official Poitiers is ingloriously associated with the decree of the French government to limit the import of Japanese videorecorders; and the "Esprit" program of the European commission, which is intended to further communications technologies, was heavily inspired by France.

What is most noticeable about the "new industrial policy" is that it is not particularly new; it cannot conceal its neomercantile stripe. Its objective is simultaneously export diversification and alternative imports, the latter having even more weight than the former. The French government, as part of their policy to "reconquer" the domestic market in the next 5 years, would like to increase exports by 40 to 45 percent, but at the same time reduce the share of imports in the national product from the current 30 percent to 15 percent. It is a mystery how this can be reconciled with the principles of a liberal trade policy.

From an international standpoint, the "new industrial policy" is only a thinly veiled "beggar-thy-neighbor" policy. This is true mainly where it employs measures to limit trade in order to protect domestic jobs. The question must be asked, and the trade unions must finally show their colors as well, in which areas the emerging nations should seek their opportunities if the industrialized nations block access to their markets. If there are to be no agricultural products and no textiles, what will be permitted?

The reproach of "beggar-thy-neighbor" also applies to the "new industrial policy" in those areas where it dresses itself up with the label of a "positive policy of accommodation." One example is the effort by governments to make it easier for structurally weak branches of industry to gain access to modern technologies with state assistance. As a rule, this is a defensive investment, which allows the pressed companies time to catch their breath. The emerging nations catch up over a longer or shorter period. As a result of the actions of the industrialized nations, the emerging nations are thrust into a costly and basically unnecessary intensification of capital, which costs additional jobs in the emerging nations.

The question concerning the state's involvement in supporting so-called key technologies remains unanswered. The supporters of the "new industrial policy" appear to hold a trump card here. The justification for the argument is that too few enticements exist for technological innovation because of the great risks and the high financial requirements. The state is supposed to finance at least basic research, and not with the watering can but rather targeted to the future bottleneck and growth areas. However, it is not the market that determines what these areas will be, but the research bureaucracy. It knows where things are headed. Prior practice in providing subsidies for research shows the opposite: the new minister for the future, Heinz Riesenhuber, has

shown himself to be less than impressed so far: "The goal is important, the instruments used to reach it are unimportant."

The time seems to have come to rethink the policy on technology. The question has to be asked whether there are convincing reasons for a state policy on technology in a market economic system with protections for patents, in which an internalization of the profits from research and development is largely guaranteed. The longer one thinks about it, the fewer reasons occur to one.

The end result is: the "new industrial policy" is based on the assumption that a well-meaning policy will bring about something good. That is high improbable in the light of previous experience. The fear is that it will degenerate rapidly into a policy of preserving a structure, which is hardly any different from the old style industrial policy.

The debate about the "new industrial policy" is based on a huge misunderstanding. The real issue is the German economy rediscovering its earlier dynamism. And revitalization does not unconditionally mean reindustrialization. It is possible that industry will regain some ground in the near future under the influence of a strong dollar; many people are of the opinion that it would be necessary in order to keep the German balance of payments stable. The economic policy should not force a development of this kind, neither in the national interest nor in the interest of foreign competition. The more than 1 million jobs which were eliminated in the last 10 years in the textile and clothing industry, in the iron and steel industry, in mining, to name only the most important, are lost for ever. From a long-term point of view, the structural change will cost further jobs there. No government can prevent it, unless it imposes further sacrifices on the taxpayer. But the government can contribute to the creation of new, competitive jobs inside and outside the industrial sector, either through tax legislation that increases productivity or by reducing regulations and controls.

The FRG should not be forced into a debate on structural policy that is aiming in the wrong direction--not by Wolfgang Roth and not by Lothar Spaeth. In a market economic system the companies have to find their own paths into the future; the state cannot be the pilot.

9581

CS0: 3620/420

BUDGET BILL INCLUDES INFLATION FIGHTING MEASURES

Borrowing Expectations Lowered

Helsinki HELSINGIN SANOMAT in Finnish 19 Sep 84 p 3

[Article: "Budget Tames Inflation"]

[Text] On Tuesday the government presented parliament with next year's budget, which is aimed at collecting forces for weathering the economic recession predicted for 1986 and 1987. Another essential goal is to slow down the increase in prices and expenditures.

According to Prime Minister Kalevi Sorsa, "an attempt will be made to save on expenditures and cut back the state's indebtedness". At a government press conference the prime minister called upon everyone to help restrain inflation.

The final total of the government's budget proposal will be 92.9 billion markkaa, which is a 9.9-percent increase over this year. Debt management expenditures make up the majority of the increase, and there will be little room left for real growth in other expenditures.

The government's goal is to bring inflation down to 6 percent this year and 5.5 percent next year. The government will increase state payments and tariffs and the price of tobacco, liquor, and fuels 5 percent on the average.

Similar adjustments will also be made in the tax scales and important reductions. Taxation will be tightened slightly.

The government admits that the price competitiveness of industry will become weaker this year. On the other hand, the government promises to intervene in this development along with the Bank of Finland in the name of restraining inflation if wages and production costs threaten to go out of control.

The labor unions, special interest groups, and the opposition parties mounted new criticism against the budget proposal, which may cause difficulties for the government while it attempts to obtain approval for its proposal in parliament. The government needs opposition support for decisions costing a little less than a billion markkaa.

The State Gives

Child subsidies will increase 5 percent in October of next year.
Maternity benefits will be increased to 500 markkaa.
Support for home care of children will be expanded.
7,000 day care centers will be established.
Unemployment security reform will be put into effect.
Third phase of national pension reform will be put into effect.
Construction of 19,000 Arava [State Housing Construction Commission] housing units will begin.
Per diem for recruits to be increased by 1 markka in October 1985.
Start-up money for young farmers will be increased.
Early retirement for military personnel will be lowered to 60 years of age in 1986.
A flexible retirement age will begin by degrees in 1986.

The State Takes

Prices for gasoline, fuel oils, coal, and nuclear fuel will be increased.
Liquor, beer, tobacco, cider, soft drinks, and pilsner will become more expensive.
Channel, piloting, and towboat fees will be increased.
Stamp taxes will be increased.
Day care and health center payments will become more expensive.
Prices for bait and fishing and hunting licences will be increased.
Coffee will become more expensive by 4--5 markkaa per kilo.
Tax on diesel will be increased.
Personal responsibility for hospital expenses and tax deductions for interest payments will be increased.
The price of a train ticket will be increased by 7 percent, postal fees by 5 percent, and newspaper subscriptions by 5.5 percent.
An employer's child subsidy payments will be extended until the end of November.
Insured pension payments and health insurance payments will be increased.

Picture During Economic Upswing

GNP will increase 4 percent next year.
Unemployment level will drop to 5.2 percent.
Inflation rate will decrease to 5--5.5 percent.
Taxation will become tighter as adjustments to tax scales and deductions remain at 5 percent.
Price competitiveness of industry will become weaker.
State indebtedness will slow down: next year the state will borrow 9.5 billion while the sum this year will be almost 11 billion markkaa.
The real wages of wage earners will increase next year by 2 percent and the usable income of households will increase 3 percent.
Exports to the West will decrease perceptibly, but exports to the East will experience a new upturn.
Industrial investments will increase.

Armed Forces Request Increased

Helsinki HELSINGIN SANOMAT in Finnish 19 Sep 84 p 11

[Article: "Defense"]

[Text] Veikko Pihlajamäki (Center Party member)
Defense Ministry
4,770 million markkaa (+429 million markkaa)
5.2 percent

New identification tag for recruits
Drakens and Migs to be equipped
Additional tank missiles

Next year recruits and reservists will be issued new identification tags. In this age of plastics the identification tag will differ from the wartime metal tag hanging from one's neck. Now the identification tag will be made of paste-board packaged in plastic, in which the military identification number will be replaced by one's social security number. Under normal conditions the card will be kept between the military passport and it can be used in civilian life also. The funds earmarked for the manufacture of this card amount to 700,000 markkaa.

Next year the Army will procure additional anti-tank missiles from the East as well as the West. Single mortars and infrared equipment intended for night-time operations are also on the order list.

Used Drakens to be procured from Sweden will be equipped with new electronics suitable for the domestic system and the same applies to Mig-21 training aircraft. Flight control, combat control, and other support equipment will be procured for the Air Force. There will also be more radar equipment as well as equipment by which the communications system can be protected from interference.

The war materials industry will receive subsidies for establishing or maintaining certain production areas.

Per diem for recruits will be increased by 1 markka and will be 12 or 12.50 markkaa from the beginning of October 1985. Recruits will not receive additional leaves or new free trips.

The Army will also employ the handicapped. Next year the Army will use 35 million markkaa for wages for people who are handicapped for physical, psychic, social, or other reasons. A maximum of 650 of the handicapped may be hired.

Based on Strong Economy

Helsinki HELSINGIN SANOMAT in Finnish 19 Sep 84 p 12

[Article: "Finnish Economy in Better Condition Than Predicted"]

[Text] Pertti Sorsa, the director of the economic section of the Finance Ministry, finds himself in a dichotomous situation. On the one hand, he can state with satisfaction that the national economy is in a better position than

what was predicted a year ago. On the other hand, he must convince certain interest groups that an economic upturn is generally followed by a downturn.

In September of last year the Finance Ministry's economic section predicted in the first supplement to the budget that the GNP will increase 3 percent this year. It will increase by at least 4 percent. It was also predicted in the supplement to the budget that exports will increase 4 percent this year. They will increase by approximately 6.5 percent.

Recession Will Begin End of Next Year

It was also predicted in the budget that the balance of payments this year would remain around last year's level. However, the balance of payments has improved 2.5 percent; this means that approximately 2 billion markkaa more than what the Finance Ministry predicted came into the country as pure available cash.

The Finance Ministry has now revised its estimates. It is now predicted that the recession will not begin until the end of next year, 1986 will clearly be a year of recession and it will bottom out in 1987, believes the Finance Ministry.

The recession will be delayed according to the ministry by the fact that investments have not yet accelerated to the degree predicted by the ministry. Instead, investments are now beginning to accelerate, and the economic upturn will continue into next year for the most part for the reason that domestic investments will support the economy. Indeed, it will also weaken the balance of payments.

Exports to West Increased 16 Percent

The current year has progressed better than expected since exports to the West have quantitatively increased by a full 16 percent. Last year the Finance Ministry did not dare to believe in a growth of more than 8 percent. However, this sudden advance in exports to the West will be short-lived since next year the Finance Ministry predicts that it will increase only a few percent.

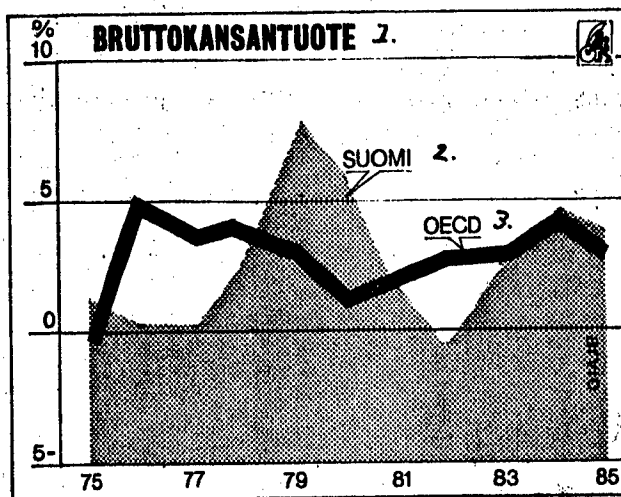
The deceleration of growth in exports to the West will be compensated for by the fact that exports to the East will experience a slight upturn next year. This year exports to the East fell off a full 15 percent.

Exports to the West increased this year due to the forest industry, but the basic metals industry and the chemical industry have also increased their exports substantially.

Exports and Consumption in Alternate Pattern

The Finance Ministry can look at the past with a rather great degree of satisfaction. Exports to the West, exports to the East, and domestic consumption

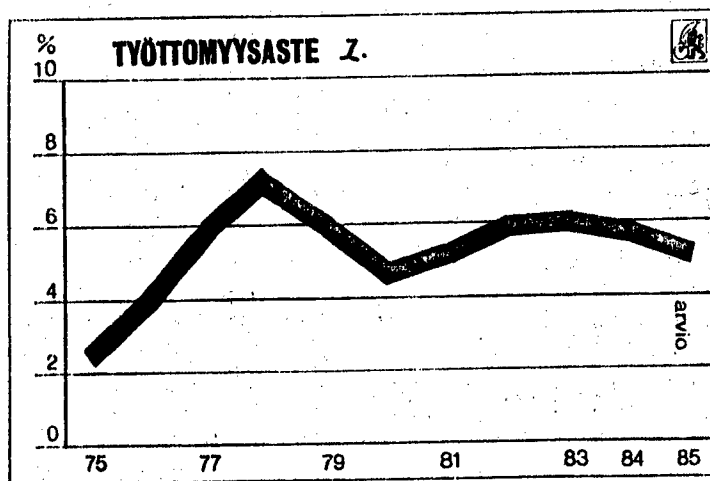
have pulled the economy along in an alternating pattern without overheating it. In 1981 when exports to the West fell off, exports to the East increased by even one-third, and in the following year domestic consumption increased 4 percent. Now it is again the turn of exports to the West.



The curves depict annual changes in GNP with semi-annual seasonal adjustments.

Key:

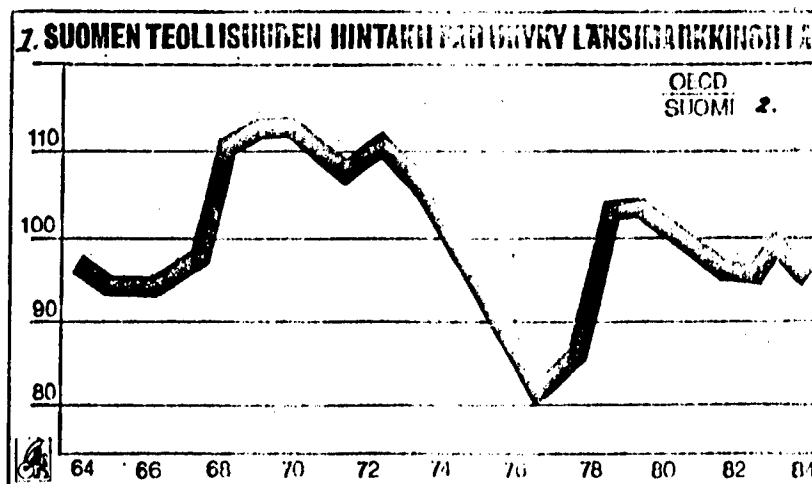
1. Gross National Product
2. Finland
3. OECD



The lowest unemployment level will be achieved next year. Unemployment will worsen again in 1986. Area differences will become greater.

Key:

1. Unemployment level



Competitiveness is measured by relative unit work costs. OECD's costs (straight line) are weighted by Finland's export commodity structure.

Key:

1. Competitiveness of Finnish industry in Western markets
2. Finland

The Finance Ministry is, however, concerned by the fact that weak spots are not recognized now that the economy is doing well. One such weak spot is the price competitiveness of industry, which is becoming weaker according to the ministry. The ministry joins the STK [Finnish Employers Association] in its assessment that competitiveness will become weaker by 5 percent this year.

This deterioration is not yet being noticed, however, since the substantial increase in the markka income of exports and the increased degrees of the utilization of capacities have improved profitability.

"It is not impossible that after a year the balance-of-payments trend will already become weaker and the degree of the utilization of capacity will become less. At that time the reduction in profitability may be perceptible and some firms may even find it to be surprising. This would have a negative effect on investments, which would worsen the recession," says Pertti Sorsa, director of the ministry's economic section.

The budget's remedy in the event of a recession is a slow inflation rate. Inflation can be 5 percent at the most at the end of next year, considers the ministry.

The ministry also continues to believe that this goal is achievable. Threats to it are already apparent. In an approximate solution it is assumed that the consumer price index adjusted by the balance of payments will not increase by more than 5.8 percent from April until December of this year. The balance of payments has now improved so perceptibly that the limit is being reached. If the index is exceeded, workers will be compensated for the amount in excess of the index.

Another factor threatening the inflation goal is the exchange rate of the dollar. The price of oil is tied to the exchange rate of the dollar, the last quote being 5.7 markkaa to a dollar. Now the dollar is 50 pennies more expensive and the pressure to increase the price is evident and indisputable. An increase of 10 pennies in the price of fuels means an additional bill of 200 million markkaa.

Inflationary pressures will also be increased next year by the fact that the prices of imported commodities may rise just because of growing demand.

The employment situation will improve in any event next year, believes the ministry. This year the unemployment level will be 5.8 percent and next year it is estimated to be 5.2 percent.

According to the ministry's estimates, 30,000 new jobs will be created this year as well as next year. The majority of these new jobs will be in the service industry, but jobs will be increased in industry next year also.

The employment situation will be so good next year according to the ministry that in the country's southern regions there will actually be no unemployment attributable to economic trends, in certain fields there will even be a shortage of labor. On the other hand, unemployment attributable to economic fluctuations is and will continue to be a problem in Eastern and Northern Finland even though the country is experiencing an economic boom.

The Finance Ministry points out that unemployment is difficult to eliminate since the degree of participation in the labor force in Finland is one of the world's highest; this year 69.5 percent of the working-age population is employed. For example, in West Germany the degree of participation in the work force is more than 10 percent less. "If we had a similar situation, we would have a serious shortage of labor," estimated Sorsa.

Real income available to households will increase 3.5 percent this year and 3 percent next year according to the ministry. Individual consumption will increase about the same amount.

Public consumption will increase 4.5 percent this year and 2.5 percent next year.

"Finland's most serious economic problems are unemployment, susceptibility to inflation, and the adaptation of the public economy to overall economic development," states the budget's economic report.

Room for 2-Percent Growth

The public economy will be adapted to "overall economic development" next year in such a way that the gross tax scale will be raised. Another method of adaptation is to adopt a negative attitude toward new expenditures. The latter approach did not, however, completely succeed again, but Budget Chief Juhani Korpela of the Finance Ministry is now even talking about the period after next year with a deep sigh.

According to Korpela, state expenditures should not realistically be allowed to increase more than 1.8 percent annually from 1985 until 1988. This is less than half of that growth to which we have become accustomed in the last 10 years.

In addition to the room left for growth, debt management expenditures still eat up the lion's share. State expenditures other than debt management expenditures can increase an average of 0.9 percent annually in the years 1985-1988. This period of time will, in addition to everything else, include the next recession with all its consequences.

Economic Stimulation and Obstruction

The Finance Ministry has calculated that it can, to some degree, be flexible between the years in such a way that an economic stimulation policy will be carried out in 1986 and 1987 while an attempt will be made to obstruct the rate of expenditures this and next year.

This is reflected in the incurring of debts, among other things. This year 10.7 billion markkaa will be taken out in loans, but next year the amount will be only 9.5 billion. On the other hand, a billion markkaa more will be borrowed in the recession year of 1986 and in the following year yet another billion more calculated in present money.

The Finance Ministry has also calculated that expenditures can even be cut back in certain administrative areas. Less money will go for housing, among other things, since housing production will decline and loans will become more beneficial from the state's point of view. Less money will be sunk into agriculture since it is estimated that reductions in production will finally have an effect. It is believed that the Communications Ministry will also be able to get by with less since it is calculated that the losses of the State Railways will become less.

10576

CSO: 3617/229

RULING COALITION PRESENTS SWEEPING FISCAL CHANGE PROPOSALS

Helsinki HELSINGIN SANOMAT in Finnish 18 Sep 84 p 20

[Article by Marjatta Isberg: "A New Credo for Iceland's Economy: Center-Right Government Plans to Eliminate Income Tax"]

[Text] Reykjavik--In power for over a year now in Iceland, the coalition government of the conservative Independence Party and the centrist Progressive Party has announced a new cooperation agreement. In it they promise that steps will be taken to revive the economy and changes in the government administration made. The gradual elimination of income tax is the most important measure directly affecting wage-earners.

This will surely appeal to most wage-earners since, practically speaking, all members of the Government Employees Federation and the Icelandic Confederation of Trade Unions will be below the income tax limit the government is planning.

Dent in the National Treasury

The change will make a sizable dent in the national Treasury, one which they plan to make up by introducing a value added tax on all goods. After that, Iceland will certainly have a record volume of indirect taxes since most of the government's revenue is composed of them. The value added tax will come to 25.85 percent.

Furthermore, many imports will have the same-sized provisional tax on merchandise, possibly in addition to customs duties.

The tax system has been labeled as being somewhat random in nature. Until the end of last August, for example, Icelanders had to pay heavy customs duties on canned baby food, which is not manufactured at all in Iceland, but were allowed to import pet food duty-free.

Inflation Checked

The current government's most significant achievement has been the reduction of the annual rate of inflation from 130 to not quite 15 percent. Wage-earner organizations have, however, accused the government, claiming that the decline

is merely a numbers game that was achieved simply by lowering wages. In reality inflation is still a hidden cancer.

The government's Price Control Board recently published the results of a study of the evolution of wages and prices over the past 15 months. According to it, contract wages rose by 20.3 percent, but the consumer price index by a total of 44.3 percent during the same period.

The prices of some foods, like lamb, milk and eggs, rose by from 70 to 80 percent. Housing costs, including electricity and heat, rose by "only" 42 percent.

Medical Care Issue Raised

The national Treasury is constantly empty despite large foreign loans. The government has made efforts to economize in all sectors, but the measures have not gained popularity.

The changes in the field of medical care have given rise to the greatest opposition.

Patients' share of expenses for doctors and medicines has risen nearly 200 percent and health services as a whole over 86 percent. This has especially affected the status of old people, many of whom are even otherwise living below the official subsistence level with the income they have.

Government Positions Getting to Be "Training Jobs"

The Government Employees Federation, which has publicly threatened to go on strike, is demanding basic raises of a third of their salaries for all wage categories.

Because of the big lag in wage levels, it is even now hard to get lower-level employees to fill government posts. The fact is that the private sector in many cases pays considerably higher wages than their contracts provide. Many municipalities have also entered into special contracts with their own employees. Government positions are getting to be sort of training jobs from which those who have acquired experience then move on to private sector jobs.

The Government Employees Federation's other contract partner, Finance Minister Albert Gudmundsson, says that there are no surplus funds in the national Treasury with which they might come to an agreement. So there will be a strike unless the Government Employees Federation abandons its wage hike demands. If that happens, all elementary schools, among others, will be closed at the beginning of October since in Iceland teachers are government employees.

Art Promoted

The elimination of income tax is just one point in the government's plans. To revive the economy, they are planning to create some sort of planning and investment company in which the government and representatives of the business world would be shareholders.

In its plans the government is counting on the inflation rate's dropping to less than it has been so that it will only be 10 percent next year. They also assume that wages will rise 5 percent at the most and tying wages to the [cost of living] index will be prohibited. Therefore, Icelanders will be facing a constant decline in the purchasing power of their wages if the government's plans are realized.

Hopes for economic recovery and increases in production seem, however, to be rather utopian unless even more radical changes in the economy are effected.

As far as exports are concerned, foreign trade is still largely monopolized. For example, fish product exports are completely controlled by a few companies operating with licenses. Nearly three-fourths of the country's foreign exchange revenue comes either directly or indirectly from fishing industry products.

11,466

CSO: 3617/228

LABOR PARTY ECONOMIST ON VAN KEMENADE REPORT, WORKWEEK

Amsterdam ELSEVIERS WEEKBLAD in Dutch 8 Sep 84 p 11

[Report by Piet Goosen: "PvdA (Labor Party) Economist Jo Ritzen: 'We'll Also Manage With 32 Hours'"]

[Text] Because of its name alone, the Labor Party is already obliged to indicate the road back to full employment: the 25-hour workweek advocated for 1994 by the report of Van Kemenade, Ritzen and Woltgens. A surprising commentary by Ritzen: "But, in all truthfulness, we'll manage with a 32-hour workweek also."

"I want to say one thing: Political parties ought to have desires and ought to dream about the future." That is the crisp reaction of Professor Dr W. Driehuis, economist and member of the PvdA, to the report "Toward a Viable Future" by Van Kemenade, Ritzen and Woltgens, in which full employment is promised for 1994 with a 25-hour workweek. But like many PvdA economists, he has not read the report yet.

Hardly any economists believe that under the current economic conditions and retrenchment policy full employment can be realized in the nineties, let alone during these eighties.

Professor Jan Pen, economist and member of the PvdA: "There are optimists who believe that employment can grow back again just as fast as it collapsed, but that is pure nonsense. When production grows nicely again, by perhaps 2 or 3 percent, then there is a similar increase of labor productivity; thus no work opportunity arises from that. Then unemployment remains high while the professional population continues to increase strongly. No, most economists do not believe in full employment in the nineties, and that is not a kind of fatalistic thinking. The simplest economics textbooks teach that."

So therefore the jobs must be redistributed--a 25-hour workweek in the nineties? Pen: "That has advantages and disadvantages; you can be in favor of that or opposed to it, and as economist I don't make a judgment on that. One person works and the other one doesn't. One may find that unfair and leave it at that. But if it disturbs you terribly, you start looking for solutions and then you might find the disadvantages of the shorter workweek bearable; that is a question of policy, of the objective you choose."

The executive (in an earlier report) and parliamentary group of the PvdA are opting for that objective. The PvdA trio Van Kemenade, Ritzen and Woltgens has had the effects of its proposals calculated by the (independent) industrial group Macroeconomic Policy of the Erasmus University. The results are splendid for the PvdA people.

The retrenchment policy of this cabinet, if continued unaltered, would result in a financing deficit of 8.2 percent of the national income 10 years from now and an unemployment rate of 12.2 percent or 550,000 (according to the old definition; by current standards it would be 100,000 higher).

The policy of the PvdA trio results in a financing deficit of 7.5 percent and an unemployment rate of 0.5 percent (also the old definition), or about 25,000. "What is remarkable here is that the retrenchment policy in 1994 doesn't score any better even with respect to the financing deficit (. . .). A decrease in unemployment ultimately is the best retrenchment," according to the report. In addition to that, especially the proposed elimination of the WIR [Investments Accounts Bill] (5 billion guilders per year) puts pressure on the financing deficit.

Half of One Percent

The PvdA results thus show a special temporary unemployment of only .5 percent or 25,000. Why, we ask the rising man in the PvdA, Jo Ritzen--who at one time was requested by Den Uyl to devise employment plans at the Department of Social Affairs--why don't you set that temporary unemployment higher, at 1 percent (50,000), 2 percent, or even 4 percent (200,000)? That is much more realistic, and then the sharpest edges of the recommended course may be smoothed off.

Fellow composer Ritzen admits surprisingly frankly: "You are right; we are still keeping a few alternatives open. We started out from developments abroad and we have not yet had all the employment effects of our policy calculated. Thus the figures are even more favorable. You are right; in all truthfulness, we'll certainly manage with a 32-hour workweek . . ."

/EW: "??? Oh . . . thus that 25-hour workweek is actually an oversubscription? Thus small concessions are built into the report?"/

Ritzen: "That is partly true, yes. We opted for those 25 hours because you have to press for that if you want to realize the 32 hours, for in practice things always turn out to be considerably tougher.

"Moreover the 25-hour workweek is structurally easy for companies because with preservation of business hours or any lengthening, they can have two shifts per day working."

From the figures of the industrial group it is clear that, due to a growth of 2 to 3 percent, employment will grow in 10 years by 17 percent or 750,000 jobs, without a retrenchment policy a la Lubbers and without a redistribution

of jobs. On the other hand, there will be a growth of the professional population of 500,000 to 700,000, so that theoretically unemployment would decrease very little. The redistribution plans of the PvdA trio will furnish another 1.1 million jobs, or 25 percent, thus a total of almost 2 million shared jobs and, with that, unemployment is supposed to disappear like snow in the sun, including part of the hidden unemployment; for example, in adding employment through shared jobs, one might speak of an enticing effect: discouraged people, especially women, will then flock to the job market again.

Soft

Regardless of how objectively and scientifically justified the industrial group of the Erasmus University has calculated the "controlled expansive program" of the PvdA people, the figures reproduced above on hundreds of thousands of jobs are soft. The future doesn't let itself be calculated 10 years in advance; the continuing technological developments with automatization, computerization and robotization destroy jobs and create new jobs elsewhere. A somewhat stable economic growth is doubtful. Re-utilization through shortening of the workweek now is estimated at a theoretical average of 25 percent by the Central Planning bureau. "Re-utilization will ultimately, and in the most favorable case, never turn out higher than 85 percent," according to the PvdA plan, and the study group has started out from a 75 percent re-utilization--for the coming years it certainly seems much too high to us.

"The program extrapolates the growth of economic independence of individuals," according to the report. That process is acknowledged and granted an individual social security system--a general basic provision of 50 percent of the minimum wage (70 percent for single people), and one can take out additional insurance on an individual or collective basis.

It passed to the right of the CDA [Christian Democratic Appeal], and naturally the parliamentary group and executive of the PvdA are strongly against these proposals. Now that the 25-hour workweek is no longer necessary, Jo Ritzen perhaps could replace this guillotine in the social system with a penknife.

Ritzen: "These proposals are separate from the shortening of the workweek. Only the decreased appeal to the social system is included in the calculations, not a decrease in the levels of benefits. That would be an additional retrenchment which has nothing to do with the 25 hours and the preservation of the purchasing power."

Retrain

"On the other hand, in some context it does have something to do with it, for there is a relationship with the labor supply. That ought to become more flexible, more mobile. More people should allow themselves to be re-trained. When there are jobs, people should take them. Thus for us it is a matter of a gradual adjustment to a more dynamic system.

"For us, the social system exists to fall back on when there is nothing else. But in 1994 there will be something else. There is work for everyone. Of course, that individual system only ought to be initiated when there is sufficient work. Moreover, we start from the premise that the social partners supplement the individual system with collective extra-legal regulations, as is done now in the health insurance law. Thus nothing is really so terribly shocking."

Bert de Vries called the report "study hall work." The social forces have been forgotten. There is always much sand in the works, as Lubbers would say. For 10 whole years people will be on the zero line. For 10 whole years a social covenant (central accords) on the shortening of the workweek and associated items---that will never succeed.

Productivity

People have to give up 3 percent gross wages every year for the shortening of the workweek. In order to prevent a decrease in the purchasing power, the government must let the wage- and income taxes decrease by 3 percent every year. Furthermore the social security contributions must go down, and that is possible thanks to the decreased demand for benefits. Finally, 25 percent of the shortening of the workweek is financed from the increase in productivity.

Ritzen admits that the freedom of negotiation of the social partners is "being limited on the one hand, and not on the other hand." For if they don't do it willingly, the PvdA people have a covenant law in reserve which will force them to do it. Ritzen explains, however, that this law is intended more as a way to give shape to the aforementioned agreements with the government than as a means of coercion.

Ritzen: "Anyway, it probably won't come to that, for I believe that the social partners are well aware of the necessity of a more drastic shortening of the workweek. But indeed, if the social partners don't want to, then shortening of the workweek has to be wrested from them."

"The government really should be allowed to have some control over the socio-economic policy. It is involved in it and connected with it on all sides. That ought to be acknowledged. I think that the pendulum now is swinging over to anarchy, in which the government isn't allowed to do anything at all."

8700

CSO: 3614/130

ANKARA INDECISION OVER APPORTIONMENT EXTENSION

Istanbul CUMHURİYET in Turkish 23 Aug 84 pp 1, 8

[Text] Whether or not the 8 September application deadline for obtaining title deed allotment documents for shanty dwellings covered by the Housing Amnesty will be extended has become a serious issue within the cabinet.

Following contradictory statements by two cabinet ministers, the statement by Prime Minister Turgut Ozal that the deadline will be extended for 2 months surprised the ministers concerned.

Minister of Public Works and Resettlement Safa Giray located Prime Minister Turgut Ozal, who was on a trip, by telephone to learn what his thoughts were on the issue. Meanwhile, Giray had a telephone conversation with Minister of State Sudi Turel, who called him from Istanbul to ask that misleading statements not be made.

Minister Giray, who complained that the press misinterpreted his statements and views on the housing amnesty, told Minister of State Turel that no consideration was given to an extension of the deadline at this stage and that the issue should be discussed by the Council of Ministers.

In answer to a question put to him by the CUMHURİYET correspondent, the minister of public works and resettlement pointed out that shanty-dwelling owners are obligated to apply by 8 September to obtain title deed apportionment and that Minister of State Turel had not offered any views on whether or not the period should be extended. When Giray was reminded that the prime minister had said that the application deadline would be extended for 2 months, the minister said "I do not believe the prime minister said any such thing; if he said the issue should be discussed by the Council of Ministers, the press may have misinterpreted it as an allusion to an extension."

Giray reiterated that the Council of Ministers has the authority to extend this period and that any statements made by ministers would not be right and added, "On the topic of housing amnesty, no minister can say he is extending or not extending the deadline. This topic will be discussed by the Council of Ministers. If the council finds it necessary to extend the deadline, then it will; if it doesn't, then it won't. If the deadline is not extended, it is not clear what will happen to unlicensed construction. For example, the Finance Ministry did not extend the tax deadline. Taxpayers had to pay fines. Now if the amnesty

application deadline is not extended, those shanty-dwelling owners who do not apply before the deadline will have unlicensed dwellings".

Giray said that a new system will be introduced through a new bill to enforce lease payments and added, "No one can use public land or property without paying for it".

Giray, who repeated that unlicensed or untitled land that is occupied will be subject to lease payments, gave the following information: "By amending the housing amnesty law, we will prevent the free use of public land. We are thinking about assigning the assessment of rent authority to local administrations. Municipalities will establish taxes to be paid depending on the size and location of the occupied land. The authority of municipalities in enforcement of the housing amnesty will be increased. Moreover, following legislative action, fines imposed on those who do not comply will be increased. Sworn notaries of public, citizens, municipalities and title deed offices have to comply with the law. No one is powerful enough to act against the law."

At the same time, the deputy mayor of Cankaya of Ankara, Aydin Sonmez, said that there was no room for demagoguery on the issue of the demolition of the shanty dwellings and that this was a very serious matter and added, "There is no need to protect illegal action. At this rate, shanty towns will come down to the neighborhood of Kizilay. Therefore, we will definitely demolish illegal shanty dwellings."

Sonmez, who reported that the number of demolition teams had been increased to four, emphasized that the encouragement of shanty dwelling construction at a time when the housing amnesty law is being enforced would contradict government policy, and every opportunity must be given to owners of shanty dwellings so that their dwellings are not demolished.

"Now we have an apportionment document, which will definitely be converted into a deed. Something called housing amnesty has been passed. Honorable Ozal took a very serious decision, which no one besides Menderes dared to take and said that he would grant title deeds to shanty dwellings on Treasury land. Technical offices were set up. If shanty construction is still undertaken in spite of all this, how can we show tolerance towards such action?"

According to the Anatolian News Agency 4027 applications have been made to the municipality in Ankara through the legal special offices in order to take advantage of the housing amnesty.

On the other hand, the authorities who reminded that the deadline is 10 September said that instructions concerning an extension have not yet been delivered and consequently they consider the deadline to be 10 September.

Ankara Central Mayor Mehmet Altinsoy said that he could not understand why information and statements concerning shanty dwellings were contradictory. He said: "I think the honorable prime minister and the honorable minister of public works and resettlement must have spoken in reference to the post-8 September situation. At least that is my understanding."

Mehmet Altinsoy answered questions put by the press on various topics. Like other municipal officers, Altinsoy also complained about the mushrooming of shanty dwellings that occurred as soon as the issue was handled a little laxly.

9834

CSO: 3554/305

ACADEMIC ON TURKEY'S PROSPECTS IN TECHNOLOGY BOOM

Istanbul MILLIYET in Turkish 23 Aug 84 p 2

[Text] Prof Dr Duran Leblebici: Prof Duran Leblebici was born in Corum in 1935. He graduated from the School of Electrical Engineering and in 1966 completed his PhD at the same school where he was serving as assistant professor. He became associate professor in 1971 and full professor in 1977. Presently he is dean of the Electronics Main Science Branch [as published] of the School of Electrical Engineering and Electronics of the Technical University of Istanbul.

The world is entering a new age of industrial revolution. In this age, which in short is referred to as "the computer science revolution," it is expected that progress in the fields of data processing and data communications will become an explosion and will greatly influence the decades ahead as well as changing economic and strategic balances. While the United States and Japan, the leaders of this revolution, always wary of each other, are struggling to capture the lion's share of this development, Europe in the anxiety of having missed the boat is striving to increase its own share of the shortcomings it has come to be aware of. This development, which is now taking place under the surface, among the industrialized nations of the world, will inevitably engulf developing nations of the world, as well as Turkey. In that event, it is the historical duty of the cadres who are actively serving today, such as scientists, planners, industrialists, managers and politicians, to establish Turkey's position in respect to this revolution, to facilitate its conscious participation in this development and to establish without delay the strategies that will enable Turkey to participate in this endeavor not as a "consumer" but to the extent possible as a "producer."

The First and Second Industrial Revolutions

The first industrial revolution, which began about 200 years ago with the invention of the steam engine, its use in production and later in transportation, came about and progressed in its entirety outside of our society. The products of this revolution, which prepared the economic

collapse and expedited the retardation of the Ottoman Empire, along with other causes, had to be used by our society to substitute for the products that it produced by means of preindustrial methods. Our society was even too late to take advantage of these products as a consumer and had no intention of becoming a producer. All activity in connection with the employment of this new technology was left to the foreign firms and the training of native cadres as well as the accumulation of know-how was not consciously regulated.

At the beginning of the 20th century we see that Turkey's attitude toward the second industrial revolution, which began with the establishment of the chemical and electrical industries, especially in Germany, was more positive. Following the opening stages of the revolution, during which Turkey faced grave difficulties, no time was lost in taking advantage of the products of this new technology, especially in the years following the foundation of the republic, though again with a consumer's approach. Meanwhile, the assignment of young men trained abroad to industrial plants and educational establishments greatly facilitated Turkey's ability to take advantage of the products of technology through cadres familiar with it in time, Turkey began to produce some of the production devices of the second industrial revolution and freed itself from merely being a consumer as a result of the trained manpower saturation that occurred in parallel with an increase in the general economic potential of our country. A significant portion of the electrical and electronic devices, electrical machinery, machines and tools used in Turkey as well as fertilizers used in agriculture are manufactured in Turkey and some of these can be exported. In other words, Turkey did not remain isolated from the second industrial revolution, as it did from the first, and it now has entered upon a period of "securing a share" of the things brought by the revolution.

In actuality, "the third industrial revolution" is qualitatively different from the first two. Although the first and the second revolutions stemmed from new discoveries and inventions, the components of the new revolution in "data processing techniques," and "word processing techniques," and the "microelectronics" that is the vehicle of application for them, are not so new. What brings this development to a point of explosion is the progress in data processing and communications and the expansion of the market that will be expedited by means of the microelectronics technology and that will attain extraordinary dimensions. Although Turkey remains at an inferior level compared to developed countries regarding word processing as well as communication techniques, it has all the same begun to take advantage of them, and the demand is rising rapidly. Computers, which were used only by some universities and public enterprises just a short time ago, are now more and more used by medium-sized and small enterprises. A more striking development for the future is perhaps the rewarding of "A" students by their fathers. They now get minicomputers instead of bicycles. In communications, the stage that has been reached today, despite all shortcomings, is far beyond that of a short time ago. We can dial the telephone in our home or office and talk to a friend in Germany or a customer in the United States within a few seconds. Telex communication has become an inseparable part of our business community. Obtaining facsimile copies of documents over the telephone lines is rapidly becoming widespread. PTT has decided to build

its new switchboards using electronic digital technology that is compatible with the "integrated digital communications network" that is projected for the advanced stages of the third revolution. Two companies will soon begin to manufacture electronic digital switchboard in Turkey. In short, Turkey appears to have some of the preliminary requirements necessary to place it among others in the ranks of the third industrial revolution. What is necessary now is that Turkey adopt a commonsense strategy so that it can lift itself from the position of "user" to that of "producer."

It is universally accepted that the technology of the new era will be "microelectronics." Microelectronics, which developed rapidly with the introduction of the transistor in 1947 and the integrated circuit technology of the 60's, enabled the attainment of necessary functions for a minicomputer on a chip that is smaller than 1 cm^2 . Another and very prominent characteristic of this technology is that it is extremely prolific; in other words, thousands or tens of thousands of chips can be manufactured in one batch. It is obviously a prerequisite for Turkey that it participate in the microelectronics technology in order to obtain a share of this development and become a consumer and ultimately a producer within the third industrial revolution. From this point of view, Turkey has a potential that should not be underestimated and which, if employed intelligently, will greatly facilitate this development. Subjects in microelectronics and topics that constitute the basis for it have been taught at Turkish universities for years, and theoretical research has and is being conducted. The Semiconductor Technology and Microelectronics Laboratory established at the Istanbul Technical University between 1974 and 1977 serves as a site for training the required manpower and providing data accumulation in this field as well as actively practicing, teaching and researching this subject. The Semiconductor Technology Research Laboratory established in the framework of the Tybitak Marmara Research Institute has the means to industrially implement microelectronics and even manufacture components of exemplary standards. Testas, a public enterprise began investing for a semiconductor industry by obtaining know-how from a U.S. company. Most significantly, with the common contribution of all these activities a data accumulation and a manpower potential has come into being.

Conclusion

Obviously Turkey is entering into the third industrial revolution under more favorable preliminary conditions. This development, which will affect the entire economy favorable and is at the same time one that is strong in data processing and communications, is sure to continue. It is imperative that conscious cooperation be established between institutions primarily interested in this field to transfer this inevitable expansion in the "consumer" field to the field of production. That the microelectronics industry can only operate effectively with high output due to its excessively productive nature may at first appear to be a handicap [as published].

The creation of a healthy microelectronics industry in the country will surely lead to affirmative developments in fields that are outside of communications but are still influenced by the revolution, as well as in

other fields related to electronics. Meanwhile, a very important point that should not be overlooked is the extraordinary dynamism inherent in the new technologies. To be able to remain "up to date" in these fields on which a tremendous amount of research is now being expended, to be able to process and improve them in the direction of the requirements of the country and to channel them into industry, all of this will only be possible in proportion to the dynamism and the existence of research institutions that possess qualified staff and are equipped and supported by the necessary facilities. In this most critical period, it is the first and foremost duty of the state to provide for coordination and cooperation between consumers and producers as well as to support the relevant activities and investments of universities and research institutions.

9834

CSO: 3554/308

NEW WAVE OF COMMODITY PRICE HIKES DISCUSSED

Istanbul CUMHURIYET in Turkish 23 Aug 84 pp 1, 8

[Text] The whole country is under the influence of the price-hike wave. This time the price-hike wave that demonstrated itself in bread prices stemming from the flour price increase based on the 3-lira difference paid for wheat, after influencing fuel prices began spreading from spaghetti to salt, detergents, matches, soup mixes and toothpaste. Market research undertaken by CUMHURIYET correspondents proved that for 31 items of merchandise, hikes of close to 50 percent were made within 24 hours.

Certain kinds of paper also got their share of these hikes. The prices of all types of paper, except for newsprint and textbook paper, were hiked by 3 to 13 percent. These increases will go into effect as of today.

Bread price hikes that started in a few provinces at the beginning turned into an epidemic in a short while and spread throughout Turkey. In Izmir, while a loaf of bread was increased from 450 to 460 grams, the price went up from 35 to 40 lira. In Afyon, from now on a 480-gram loaf instead of a 540-gram loaf will be sold for 40 lira. In Tlugla, a loaf at 460 grams for 40 lira has been replaced by a 530-gram loaf for 40 lira. The Konya bakers, who were granted a price increase 3 days ago, demanded a new one. It was previously decided that in Konya instead of a 460-gram loaf sold for 30 lira a 540-gram loaf would be produced and sold for 40 lira. In Iskenderun, bakers who found the price hikes insufficient stopped production. The increase the bakers found unsatisfactory had replaced the 420-gram loaf for 30 lira with a 360-gram loaf for the same price. In Adana, the price hike was achieved by decreasing the weight of the loaf. The 510-gram 40-lira loaf is now 470-grams. In Gaziantep, the 450-gram French-type bread went up from 35 to 45 liras. In this province, the price of one sack of flour saw a hike of 650 lira.

In Ankara, the deputy chairman of the Union of the Associations of Small Businessmen and Craftsmen, Ali Pasa Aksu, told the Anatolian Agency that they will not demand any price increases until the end of the Kurban holiday. Just as he was making this statement CUMHURIYET correspondents conducted a market research and established that lightning hikes were made in the prices of 31 items within one day. A striking development exposed by this research is that not even two eggs can now be bought in return for a kilogram of wheat, the price of which ranges between 52 and 54 lira. That is because eggs are being sold for 27.5 lira in the capital.

The picture created in the marketplace, touched off by the bread price hike, shows various foodstuffs with their old and new prices in Turkish lira as follows:

<u>Product</u>	<u>Old Price</u>	<u>New Price</u>
Milk	100	130
Feta cheese	600	700
Kaskaval cheese	1000	1300
Olives	400	500
Yogurt	150	180
Eggs	25	27.5
Salt	60	80
Cookies	300	400
Potato chips	60	100
Vegetable oils	500	550
Detergents	190	230
Flour	125	150
Cream of wheat	100	130
Toilet tissue	220	270
Soft drinks	40	50
Fruit juices	50	75
Sausage	1100	1400
Margarine	100	110
Beer	75	100
Matches (pack)	50	100
Tomato paste	325	500
Toothpaste	140	175
Pesticides	500	650
Spaghetti (kilo)	200	220
Farina	200	220
Rice flour	300	330

Services

Following all the price hikes on all kinds of merchandise, it is expected that services will also become more expensive. Taxi drivers, jitney drivers and microbus drivers are demanding fare hikes in Istanbul. Secretary General of the Istanbul Automotive Workers Association Nurkay Guvenilir claimed that they have the municipality's promise on a fare adjustment.

Hikes in fuel prices made the night before have gone into effect.

Regular gas is priced at 168,70 lira in Ankara, 166.80 in Istanbul and 166.6 in Izmir. Super gasoline is 181.8 lira in Ankara, 179.90 in Istanbul and 179.60 in Izmir. Diesel fuel is 113.20 lira in Ankara, 111 in Istanbul and 110.70 in Izmir. Kerosene is 113.20 lira in the capital, 111.20 in Istanbul and 110.90 in Izmir. Grade 6 fuel oil is 75.50 lira per liter in Ankara, 73.05 in Istanbul and 72.70 in Izmir. A 12-kilogram butane gas canister is 1660 in Ankara, 1625 in Istanbul and 1610 in Izmir.

Paper Industries Inc. hiked its prices on certain paper products by 3 to 13 percent. Newsprint and textbook paper were exempted. Hikes will go into effect beginning today. Accordingly, 1 ton of craft paper (30-gram weight) went up from 369,600 to 417,000.50 lira, 1 ton of white sulfide paper (40-gram weight) from 351,700 to 386,900, 1 ton of first-grade roll paper (60-gram weight) from 321,300 to 353,000, 1 ton of first-grade cut paper from 351,700 to 379,000, 1 ton of regular sulfide paper (40-gram weight) from 235,200 to 251,700, 1 ton of first-grade glossy paper (60-gram weight) from 477,700 to 506,400, 1 ton of imitation craft paper (cut, 70- to 90-gram weight) from 178,200 to 188,900, 1 ton of substandard craft paper (roll) from 325,500 to 341,800, 1 ton of formica craft paper, which was previously 183,000 (180-gram weight), to 191,200 and 1 ton of packing paper (09- 160-gram weight) previously 137,500 to 143,000 lira.

On the other hand, it was learned that hikes ranging from 20 to 30 percent will be made in Sumerbank products in the coming days.

9834

CSO: 3554/305

NESTE FIRM BECOMING GIANT ON WORLD OIL MARKET

Copenhagen BERLINGSKE TIDENDE in Danish 24 Sep 84 Sec III p 12

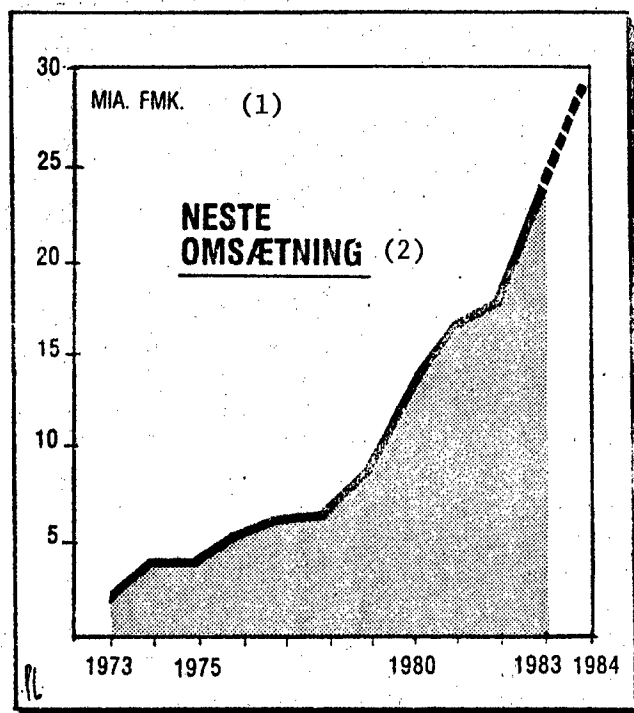
[Text] Espoo--Finland's biggest concern with annual sales of 24 billion Finnish marks owns Europe's biggest oil refinery, its own shipping firm, a large battery factory and is now beginning to drill for oil in the Danish part of the North Sea.

At this time internationalization is the main concept in Finnish business circles. Finnish firms must go out on the world market. Either in direct competition or by buying up foreign firms. The state-dominated company of Neste Oy is proof that this strategy is not just empty talk. The company is on its way to becoming a giant on the world market.

Neste Oy started out as a regular state oil supply company. Its main task was to buy and refine oil from the Soviet Union. Under the bilateral agreement between Finland and the Soviet Union energy makes up 90 percent of Soviet exports to Finland and since the Soviet Union is Finland's biggest trade partner Neste Oy administers an especially vital area.

When the idea of internationalization began to make a serious impact after the energy crises of the 1970's, Neste Oy was given permission to expand and move into other areas besides oil and natural gas. Therefore a direct comparison with DONG [Danish Oil and Natural Gas] in Denmark is not possible.

"Even though we are a state-dominated company there has been very little political intervention through the years. That is primarily because we have kept earnings high, enabling us to make reinvestments without having to get the money from the state treasury," Pauli Kulvik, vice president of Neste Oy, told BERLINGSKE TIDENDE. But at the same time he pointed out that if the company is not operated in an economically responsible way that results in high profits, the politicians would undoubtedly intervene. A company of Neste Oy's size with big investments and many jobs must be run in a responsible way and on a capitalistic basis, the vice president emphasized.



In the course of 10 years Neste Oy's sales have risen from 2 billion to over 24 billion Finnish marks.

Key:

1. Finnish marks, in billions
2. Neste sales

Investing and Purchasing

In 1983 Neste Oy had sales of 24 billion Finnish marks. That corresponds to roughly a quarter of Finland's national budget. It was also a record year, since sales went up 35.7 percent compared to the year before. Some 7,100 workers are employed in the concern's activities in Finland, most of them at the refinery in Skjoldvik near Helsinki where they are involved in refining oil, producing petrochemicals and so forth.

With reference to internationalization activities, Pauli Kulvik said that most of the money earned goes toward new investments both at home and abroad. Some money is also invested in other Finnish companies or goes toward buying firms in other countries. For example Neste Oy owns the Tudor battery factory, one of the biggest in Europe. Last year they purchased the Danish Lyac firm. The concern is also working to get license rights for oil drilling, battery production and so forth in a great many countries. They include England, Portugal, Indonesia, Africa and Texas where licenses are held in the petrochemical industry and where the concern has oil drilling rights.

Most of these international steps have taken place within the last 3 to 5 years when Neste Oy really started its expansion program.

North Sea License

For a number of years Neste Oy has worked closely with British BP. Among other things the concern has participated in oil drilling operations in the North Sea since 1973.

"Therefore it was natural that we applied for and received a license to drill in the Danish part of the North Sea when the licenses were distributed a short time ago. We and BP both anticipate good results. And when the next round of license distribution opens up in Denmark there is no doubt that we will be among the license applicants," stressed vice president Pauli Kulvik, who is primarily engaged in looking after Neste Oy's offshore activities.

6578

CSO: 3613/1

GOVERNMENT BIOLOGIST CITES POLLUTION DANGER TO WATERS

Copenhagen BERLINGSKE TIDENDE in Danish 27 Sep 84 p 6

[Article by Thomas Uhrskov]

[Text] Lack of oxygen, death of fish, and poisonous algae threaten the internal Danish waters. However, the situation may be improved by industrializing the catching of crabs, snails and jellyfish, says government biologist.

Algae use up all of the oxygen, and the fish become suffocated or displaced.

This development may be partly prevented by catching crabs, jellyfish, and snails, says Government Biologist Vagn Hansen of the North Sea Center.

At the Conservative Environment Conference, held at Hirtshals last Wednesday, Vagn Hansen said:

Several Advantages

"In addition to reducing the discharges into the sea of nitrogen and phosphate by agriculture and urban areas, I find that the problems of algae and the death of fish may be reduced by starting an industrial utilization of crabs, jellyfish, and other harmful fauna. By pulling this fauna ashore, the surplus production of algae, and thus the number of dying fish, may be reduced. The catches may be used for fodder, fertilizers, foodstuffs or biogas. The stock of crabs thus constitutes an equally large biomass as the total stock of cod and plaice. It is necessary to think along untraditional lines in order for the effects of the pollution to be overcome."

Waters the size of Sjælland [Zealand] and Fyn [Funen] together are so deficient in oxygen that fish can no longer live in them. Algae further aggravate the situation as they not only use up the remaining oxygen but also prevent any further oxygenation from taking place.

Kent Kirk, a Conservative Member of the Folketing and master of a fishing vessel, stated that jellyfish fishing is not feasible in real life. He told BERLINGSKE TIDENDE:

"It is possible that the environment in a small section of the sea may be improved in that way. However, it is a question of such large volumes of water that, in reality, it will have no effect. I, moreover, do not believe that it will be feasible from an economic point of view. The Soviet Union, the United States as well as Germany have attempted to utilize krill (a small shrimp) in industry but to no avail. It ought to be clear that pollution has to be fought at its source, that is to say, on land. In addition, having waters deficient in oxygen is not necessarily a bad thing. When there is no more oxygen at the bottom of the sea, cod will migrate to the surface, where it is much easier and less costly to catch it."

On the economy of biogas plants, Poul Vermehren, graduate engineer and director of the Federation of Danish Industries, says:

"It will be another 10 to 15 years before the biogas plants of agriculture will become profitable, but if the biogas plants are fed more homogenous substances (such as jellyfish, editor), they will become profitable in a few years."

We Cannot Afford to Be Pioneers

Despite their different interests, the representatives of the fishing industry, the industrial sector and the environmental authorities all agreed that the problems of pollution of the sea will primarily have to be tackled on land by way of limitations and restrictions. The director of Cheminova, Arne V. Jensen, however, warned politicians not to allow themselves to be carried away by sensationalism. He said:

"It is important that we do not, on account of pressure from the media and political outbidding, make exaggerated environmental demands. We do not have the industrial and economic strength to be the pioneers in this area."

7262

CSO: 3613/4

DANISH-FRG ENVIRONMENT AGREEMENT SIGNED DURING KOHL VISIT

Copenhagen BERLINGSKE TIDENDE in Danish 26 Sep 84 p 5

[Article by Lars T. Kjolbye]

[Text] Poul Schluter and Helmut Kohl signed a joint statement yesterday at the conclusion of political negotiations.

Yesterday in Copenhagen Denmark and West Germany signed a statement on environmental protection that will give improving the environment a high priority in cooperation between the two countries. The statement was signed by Prime Minister Poul Schluter and FRG Chancellor Helmut Kohl during their final talk.

The two governments agree that for environmental protection reasons there should continue to be cooperation--not just between Copenhagen and Bonn but within EC as well. One of the problems mentioned was so-called acid rain, which was described as "air pollution that crosses national borders" and it was hoped that even more lands would sign the agreement that 18 countries arrived at in Munich this summer to reduce the emission of sulfur compounds by at least 30 percent over the next 10 years.

It is also urgently necessary to introduce leadfree gasoline in Europe so that the harmful emissions from car engines can be drastically reduced, the agreement stated. The two governments also supported the proposal to make the North Sea a "special area" in connection with work to protect the ocean environment, including in particular the pollution that occurs in connection with oil accidents.

Schluter and Kohl also spent time discussing EC's financing problems. At a press conference after the talks the prime minister said that Denmark would like to have the value-added tax raised from 1 to 1.4 percent (as a step in the plan to increase EC revenues) starting as soon as 1 October 1985 instead of waiting until 1986, as planned. The prime minister also expressed the government's hope that "due to the relatively high fees" Denmark would be able to extend the 2-day rule for border trade the next time it expires.

6578

CSO: 3613/2

IAEA ASKING BALTIC COMMISSION TO CONSIDER NUCLEAR RADIATION

Helsinki UUSI SUOMI in Finnish 11 Sep 84 p 9

[Article: "New Plans for the Protection of the Baltic"]

[Text] They want to extend the scope of Baltic Protection Commission functions. The United Nations' International Atomic Energy Agency (IAEA) will hold a conference in Helsinki during the last week of September at which it intends to propose to the Baltic Protection Commission that the commission assume the function of studying the level of radioactivity of the Baltic.

The IAEA has itself performed these investigations for 3 years now.

According to its interim reports, the radiation level is low, the new first secretary of the Baltic Protection Commission, Estonian Prof Harald Velner, told us.

The Baltic Protection Agreement at present requires an extensive program of observation of the condition of the sea which, among other things, includes determination of the levels of different environmental poisons and heavy metals. It would be appropriate to add the detection of radiation levels to this program. Cooperation between commission and IAEA experts would, however, continue to be maintained.

A long-range plan is being drafted by the protection commission's scientific-technological committee.

11,466
CSO: 3617/228

- END -